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THE JERUSALEM POST

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THE DAY THE WALL WOBBLED

ONE WAY

Trading shortened on NYSE Stocks seesaw on Wall Street

NEW YORK (AP) — Stock prices on the New York Stock Exchange sawed violently in active trading yesterday. The Dow Jones average of 30 industrials, which fell 140 points in early dealing, by 1 p.m. EDT had recovered somewhat and was off 103.45 to 1,924.40.

By the end of the trading day the Dow Jones Industrial Average lost 77 points to close at 1,950.

The leading index soared 186.84 to 2,027.85 on Wednesday, surpassing the previous record point gain of 102.27 points set a day earlier. The closely watched Dow-Jones has recovered about half the losses suffered from Monday's record 508-point collapse.

The New York Stock Exchange said yesterday it would shorten trading hours and close trading today, next Monday and Tuesday at 2 p.m. EDT. The White House said President Reagan had been notified in advance of the decision and that he approved of the action.

"Our systems have processed almost 2.5 billion shares since last Friday. The exchange and our member firms now need time to complete the processing of this unprecedented order flow," said NYSE chairman John Phelan. "It is merely a chance for the system to catch its breath," he told a press conference.

A number of major U.S. banks lowered their prime lending rates yesterday to 9 percent from 9.25 percent shortly before the stock-market opened. The move was led by Citibank, the nation's largest bank.

Among those who followed suit were Continental Illinois National Bank, First Chicago Corp., Bankers Trust Co., Irving Trust Co., Mitsui Manufacturers Bank, Security Pacific National Bank and Wells Fargo Bank. The prime rate is used by banks as a benchmark for a range of business and consumer loans. It is important to Third World debtor countries, some of whose loans have their interest rate tied to the prime rate.

President Reagan is expected to use a televised news conference yesterday evening (scheduled for 2 a.m. Israel time) to try to rebuild world confidence in the U.S.

When trading closed on Wednesday, President Ronald Reagan's spokesman Marlin Fitzwater said: "We're pleased it's coming back. We think it shows optimism and strength and we hope the trend continues." At the same time, top administration officials conferred with congressional leaders in an attempt to strike a budget compromise, an overtone that analysts said was helping to calm frenzied markets.

On other stock exchanges throughout the world stock prices declined Thursday after bouncing back Wednesday from losses earlier this week. On the Tokyo stock exchange the 225-share Nikkei stock average rose 457.05 points to close at 24,404.45, although stocks gave up ground during late trading. The Nikkei had a record high single-day gain of 2,037.32 points Wednesday.

Prices on the London stock exchange were down sharply. The Financial Times-Stock Exchange 100-share index fell 110.7 points to close at 2,037.32 points Wednesday.

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Progress reported in U.S.-Soviet talks



Soviet Foreign Minister Eduard Shevardnadze (right) listens as U.S. Secretary of State George Shultz makes a point prior to official talks between the two yesterday in Moscow. (Reuters)

MOSCOW (Reuters) — U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze made progress on arms control and other issues at talks in Moscow yesterday, spokesmen for both sides said.

State Department spokesman Charles Redman and Soviet Foreign Ministry spokesman Gennady Gerasimov said the ministers held two rounds of constructive discussions in the morning and afternoon, and headed into a third meeting in the evening.

Redman told a news briefing that Shultz and Shevardnadze were making progress towards completing a treaty to ban medium- and shorter-range nuclear missiles, but problems remained over verification and a timetable for dismantling the weapons.

Gerasimov, addressing the same briefing, said: "We are optimistic." He quoted Shevardnadze as saying over lunch: "There is every chance to complete (a medium-range missiles treaty) if the experts do not let us down." Gerasimov, referring to the secretary of state's planned meeting today with Soviet leader Mikhail Gorbachev, said: "There are great hopes... Much will depend on tomorrow's meeting between Shultz and Gorbachev." Redman said the two ministers had discussed human rights in the morning and issues relating to medium-range and strategic nuclear missiles in the afternoon.

(Continued on Page 17)

Russian poet wins Literature Prize

STOCKHOLM (Reuters) — Joseph Brodsky, a Russian-born poet whose writing once landed him in an Arctic prison, yesterday won the 1987 Nobel Literature Prize.

The Swedish Academy of Letters awarded Brodsky the \$340,000 prize for his "all-embracing authorship, imbued with clarity of thought and poetic intensity."

Literary scholars said Brodsky was the latest in a line of great Russian modernist poets. Like Osip Mandelstam and Anna Akhmatova, his work brought him up against a Soviet state intolerant of independent thinking.

"He is a mass-cult figure. For many of his generation, he is a god," said Duffield White, professor of Russian at Wesleyan University in Middletown, Connecticut.

Brodsky was born in Leningrad in 1940 to a Jewish family. After dropping out of school at the age of 15, he worked as a stoker, metal worker and manual labourer, writing poetry.

(Continued on Page 17)



A final salute at the graveside for IDF Captain Ahmed Farashi. (Nudkiewicz/Media)

Iran sends Silkworm into Kuwait oil terminal

KUWAIT (Reuters) — Iran blasted Kuwait's main oil terminal with a Silkworm missile yesterday in apparent retaliation for a U.S. strike on Iranian oil rigs three days earlier, Kuwaiti officials and shipping sources said.

The sources said the Sea Island terminal, which handles nearly one-third of Kuwait's crude oil exports, was badly damaged and three workers were wounded when the Chinese-designed missile roared into the offshore facility at the northern end of the Gulf at 10:50 a.m.

One shipping source said of the attack: "They got it right smack in the middle." Kuwaiti oil officials said the extent of damage was still being assessed but quickly denied world oil market rumours suggesting Kuwait's export industry had been crippled.

The target was just two miles from the sites of missile strikes that damaged two tankers — including the U.S.-flagged Sea Isle City — last week, touching off the latest round of tit-for-tat retaliation between the U.S. and Iran.

Kuwait and U.S. officials blamed both earlier attacks on Iranian forces and Kuwait levelled the same charge yesterday in a formal diplomatic protest to Tehran.

Kuwait supports Iraq in the war and its ships have come under Iranian attack in the "tanker war" Iran and Iraq are waging in the Gulf.

Diplomats in the region said it would be difficult for Washington to retaliate — and some expressed the hope it would not. "If the Americans are sensible, they will see the score as even now and won't do anything," said one diplomat. "This lets the Iranians out of a corner. It wasn't an American ship, it wasn't an American terminal."

The Iranian attack sowed some panic in world markets influenced by the Gulf's oil economy, source of one-sixth of the oil supplies for the non-Communist world. Rumours swept oil markets that Kuwait was starting to renege on some contracts for crude, so severe was the damage. Kuwaiti oil officials denied those rumours.

Shultz sounding out Soviets on latest peace talks scheme

By WOLF BLITZER and DAVID HOROVITZ
Jerusalem Post Correspondents

WASHINGTON — U.S. officials yesterday said that Secretary of State George Shultz, during his current talks in Moscow, was sounding out the Soviet Union about the latest procedural proposal aimed at promoting the Arab-Israeli peace process.

The proposal calls for a scaled-down international peace conference between Israel and Jordan on the Middle East hosted only by the U.S. and the Soviet Union. The other three permanent members of the UN Security Council — Britain, France and China — and the other Arab states would not be invited.

U.S. and Israeli officials said that Prime Minister Shamir had apparently eased his opposition to Soviet involvement in peace negotiations.

The New York Times, in a report yesterday from its Jerusalem correspondent, said the U.S., Jordan and Israel are discussing the proposal which would have Palestinians participate as part of a Jordanian delegation. Syria, the report said, would also be invited to have direct talks with Israel separately under the same Soviet-American sponsorship.

Publicly, the State Department did not want to comment on the proposal. "I really don't have anything," said spokeswoman Phyllis Oakley. "We don't normally report on diplomatic exchanges of this sort."

She confirmed, however, that Assistant Secretary of State Richard Murphy arrived yesterday in Damascus.

(Continued on Page 17)



Poet Joseph Brodsky (Reuters)

Thousands attend funeral of drowned Druse officer

By YOEL DAR
For The Jerusalem Post

ABUSNAN — Seren Ahmed Farashi, the Druse officer who drowned after extricating his commanding officer and the officer's driver from a car trapped in the flash floods on the Arava road on Saturday night, was buried at his home village in Upper Galilee yesterday afternoon.

Thousands of mourners from Druse villages and the dead man's comrades-in-arms attended the funeral. The ceremony started with the traditional Druse memorial prayer which concluded with the crowd answering in unison: "God give him His mercy and may his memory be blessed."

Farashi's commanding officer, Aluf-Mishne Kanaan Muhana, said that on Saturday night he and his

driver had been trapped in the flash floods. He had radioed for help to his nearby base and Farashi volunteered to come to his help.

After Farashi helped his commander he also went to the assistance of other trapped drivers and was swept away by the floods.

In a voice choked with emotion Muhana asked the dead man to forgive him. The colonel also told the mourners, many of whom were in traditional dress, that several weeks ago Farashi, who married only a year ago, had asked to be released from the army. He later changed his mind at his commander's urging. "I asked him to continue serving, since he was an exemplary soldier and a devoted officer," Muhana said, saluting the coffin.

New fund urges Jews to have more children

By CHARLES HOFFMAN
Jerusalem Post Reporter

The creation of a foundation worth "hundreds of millions of dollars" to encourage Jews to have more children and to promote Jewish education was announced last night in the Knesset at the end of an international conference on Jewish survival.

Prof. Yitzhak Warszawski was selected as the acting head of the World Foundation to Promote Jewish Population Policies. He said that it planned to raise hundreds of millions of dollars from philanthropists around the world, in addition to contributions from the Israeli government.

The list of major contributors to the foundation read by Warszawski contained the names of prominent Jews from Europe and smaller Jew-

ish communities around the world. Edgar Bronfman, president of the World Jewish Congress, is the only North American on the list.

Warsawski said that the foundation would make grants and loans to encourage Jews in Israel and abroad to have more children and would fund Jewish education projects for Israel and the Diaspora. The foundation will also sponsor studies on Jewish demography.

Warsawski heads the Organization Department of the World Zionist Organization, which ran the conference. The meeting of scholars, educators and communal leaders was sponsored by the WZO, the Jewish Agency, the World Jewish Congress, the Institute for Contemporary Jewish Studies and the Demographic Centre of the Israeli government.

Labour keeps Likud from key WZO portfolios

By CHARLES HOFFMAN
Jerusalem Post Reporter

The Labour Zionist Movement last night nailed down a coalition agreement for the World Zionist Organization that keeps the Likud from getting the powerful position of treasurer and gives key portfolios to the Reform and Conservative Movements.

Yehiel Leket, chairman of the Labour Zionist Movement, told The Jerusalem Post that the agreement signed last night in Jerusalem includes the Confederation of United Zionists (Hadassah), Mapam, the Reform Zionist Organization, Arzeinu and the Conservative Zionist Organization, Mercaz. He said that these parties control 320 of the 535 delegates at the forthcoming Zionist Congress that is to elect a new WZO leadership.

It is understood that the agreement has the blessing of Labour Party leader Shimon Peres.

The pact says that the post of chairman will go to Akiva Lewinsky, who now serves as WZO treasurer, and that the next treasurer will be Avraham Avihai, representing the confederation. Avihai is now chairman of Keren Hayesod, one of the fundraising arms of the WZO and Jewish Agency.

The agreement also obligates the parties to support South African philanthropist and community leader Mendel Kaplan for the post of (Continued on Page 17)

Mixed reaction to Shamir's 'surprising' shift

By MENACHEM SHALEV
Post Political Reporter

The uncharacteristic faint praise that Prime Minister Yitzhak Shamir has received in the past few days from rival politicians and newspapers is turning out to be something of a damnation.

The prime minister's reported concessions to U.S. Secretary of State George Shultz are eliciting murmurs of discontent, as yet submerged, on the right of the political map. The prime minister's supporters regard media reports of Shamir's "surprising and welcome" shift toward the Soviets as a mixed blessing, at best.

Sources close to Shamir said yesterday that there was a "disinformation effort" afoot concerning "the moves to bring about direct negotiations." They declined to elaborate what the disinformation was and who was spreading it. This is exactly

what the Tehiya party, which has tabled a non-confidence motion due to be heard by the Knesset on Monday, finds most troublesome.

Politicians regard MK Geula Cohen's attacks on Shamir's willingness to entertain the notion of a Soviet role in peace talks as most telling. Cohen's sharp political instincts, they say, and her long personal acquaintance with Shamir, seen against the background of the recent Likud-Tehiya rapprochement, make her protestations that much more credible.

"Shamir may feel that he has made an offer which the Soviets must refuse," a Tehiya MK said yesterday, "but he may have been mistaken."

But unease is also being expressed inside the Likud mainstream, and even among some of Shamir's most faithful supporters. Former minister Moshe Arens, who participated in

some of the meetings with Shultz, opposed all the Shamir concessions. Others in Herut say that Shamir made no mention of the Soviets in his consultations prior to Shultz's arrival and that, based on media reports, the prime minister has set a dangerous precedent by agreeing to stray from Camp David, even if only on matters of procedure.

Shamir, they say, may have comforted himself and his advisers by saying that the conditions tagged on to his acceptance of a Soviet role are so stringent that they are, in fact, unacceptable. But, they ask, what if the prime minister has miscalculated? And even if he hasn't, his current position will be the starting point for the next round of "American pressures."

There is always the spectre of Industry and Trade Minister Ariel Sharon looming over Herut. Knowledgeable members of the party say

that Sharon is waiting for the opportune moment to pounce on Shamir's "capitulation" and thus, perhaps, to put a question mark over what is considered as Shamir's assured re-nomination as the Herut leader.

Shamir's supporters retort by claiming that Shamir has never totally rejected a Soviet role in the peace process, that he has not agreed to any formula which can be described as meaning a "conference," "auspices" or even "opening" to direct negotiations and that by inducing Shultz to broach his proposals with Jordan's King Hussein and with the Soviets, Shamir has dealt yet another — if not the final — blow to Foreign Minister Shimon Peres's proposal for an international conference.

Labour is keeping silent about the recent diplomatic moves, but senior party figures calculate that Labour

Egyptian army reduced by 55%

By YA'ACOV LAM DAN
Special to The Jerusalem Post

The Egyptian Army is less than half as large as it was eight years ago when the peace agreement was signed with Israel. In a recent edition of the Cairo daily Al-Ahram, the paper's editor, Ibrahim Al-Afari, revealed that the army had been cut down by 55 per cent and that mili-

tary expenditure now amounted to only 8.9 per cent of the Gross National product.

Military industries meet the armed forces' processed food requirements and housing needs, Al-Afari wrote. The army is also used to carry out large-scale civilian projects, such as maintaining the country's railways.

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Austria to ask U.S. for CIA file on Waldheim

VIENNA (AP)—The Foreign Ministry said yesterday that Austria would ask the U.S. to hand over a file on President Kurt Waldheim's military service currently held by the Central Intelligence Agency.

The CIA has confirmed to the World Jewish Congress that the agency's predecessor, the OSS had prepared a report about Waldheim on April 26, 1945, two weeks before the end of World War Two.

But the CIA has so far refused to release the file on the former UN secretary-general, accused by the New York-based Jewish organization of involvement in war crimes while serving with the German army in the Balkans. Waldheim, banned from entering the U.S. as a private citizen because of suspicion over his war record, denies the allegations.

'A living lie'

LONDON (Reuters).—A retired senior UN official accused Austrian President Kurt Waldheim of being a living lie and hiding his war record in relentless pursuit of public office.

"Waldheim, it has now become clear, lied for nearly 40 years about his war record, presumably believing that the truth would stand in the way of his relentless pursuit of public position and office," Sir Brian Urquhart wrote in his book *A Life in Peace and War*. Urquhart, a Briton, who was principal adviser to five UN heads over four decades, called the former UN secretary-general an "energetic, ambitious mediocrity."

"Waldheim emerging as a living lie has done immense damage not only to his own country but to the UN," Urquhart said.

But part of the blame had to be put on the great powers who, without properly vetting the former Wehrmacht officer's biographical background, appointed this "energetic, ambitious mediocrity" as the world's leading international civil servant, he said.

Urquhart made the allegations in his memoirs, published yesterday. He retired last year after reaching the rank of under secretary-general for special political affairs and was best known as organizer of UN peacekeeping forces.

UN urged to open war crimes archives

By WALTER RUBY
Jerusalem Post Correspondent

NEW YORK. — Israel's ambassador to the UN, Binyamin Netanyahu, has urged Secretary-General Javier Perez de Cuellar to announce a decision to open the UN War Crimes Archives.

Netanyahu told the secretary-general in a meeting here on Wednesday: "The reputation of the UN hangs in the balance" on the question of allowing free access to the 40,000 files on suspected Nazi war criminals that have been gathering

dust in the UN archives for almost 40 years.

In the last month, Perez de Cuellar has met twice with representatives of the 17 former members of the defunct UN War Crimes Commission to propose changing the rules. These currently allow only member governments to see the files, which are closed to scholars and researchers.

Perez de Cuellar responded to Netanyahu's appeal by saying that he was waiting for responses from several member governments.



First Lady Nancy Reagan holds a bouquet of roses as she and President Reagan stand on a White House balcony for gala ceremonies welcoming her home from the hospital yesterday. She was greeted by a large crowd and a band playing, "You are my sunshine" and "When you're smiling." She underwent surgery October 17 to remove her left breast after the discovery of a malignant tumor. (AFP)

U.S. warned against 'suicide bombers'

BEIRUT (AP). — A pro-Iranian group holding American and French hostages claimed yesterday that "thousands" of suicide bombers were poised for attacks against the U.S. and European naval forces in the Gulf.

Islamic Jihad has claimed it carried out a series of suicide bombings against American and French targets in Lebanon in 1983 and 1984, killing 376 people, mostly American and French servicemen.

Islamic Jihad's threat was made in a typewritten Arabic statement, copies of which were delivered to the offices of three Western news agencies in Moslem West Beirut.

The statements were accompanied by black and white photographs of American soldier Terry Anderson and French captive Jean-Paul Kauffmann, apparently to prove their authenticity.

Remains unearthed of Asia's largest dinosaur

PEKING (Reuters). — Chinese and Canadian scientists have unearthed the remains of Asia's largest known dinosaur in the Gobi Desert, returning members of a joint expedition said yesterday.

The animal was approximately 30 metres long, strictly vegetarian and probably as stupid as a modern chicken, scientists said at a news conference.

It matched its way across the jungles and swamps of what is now arid desert in China's far northwest 160 million years ago, Dong Zhiming of China's Institute of Vertebrate Paleontology and Paleoanthropology said.

The still-unnamed animal is one of the prize finds from a two-month joint field trip that explored parallels between dinosaur fossils in Asia and North America, linked by land millions of years ago.

The team excavated an "extraordinarily rich" dinosaur graveyard in an area of desert also said to be haunted by the ghosts of an Imperial Chinese Army annihilated in battle 2,000 years ago, said Canadian scientist Dale Russell.

The expedition discovered near-perfect fossils of the feet of a meat-eating dinosaur, first identified in 1983 and named *Jiangjiaosaurus* after the ill-fated Chinese

Bork vote in Senate delayed

WASHINGTON (Reuters). — The U.S. Senate debated Robert Bork's Supreme Court nomination yesterday as conservatives delayed a vote that seemed certain to reject President Reagan's choice for the nation's highest court.

With 54 of the 100 senators on record as opposing Bork, Senate leaders want to end debate and vote on the nomination this week so they can get on with other business and begin consideration of the next Supreme Court nominee.

But Bork's conservative supporters say they want more time to discuss his qualifications and protest against what they feel are unfair tactics by liberal groups who oppose the 60-year-old federal judge.

"Judge Bork's record has been distorted to say he is a bigot," Republican Senator Steve Symms said as debate reopened yesterday morning before a nearly empty Senate chamber. The debate consumed seven hours on Wednesday.

But Senate Judiciary Committee chairman Joseph Biden said Bork's nomination had sharply divided the legal community because his views were so far outside the majority.

He said nearly 2,000 law professors and deans, about 40 per cent of all the law professors at accredited U.S. law schools, opposed Bork's confirmation.

Biden's committee voted 9-5 on October 6 to recommend that the full Senate reject Bork.

Strong resistance by Tamil Tigers in Jaffna fighting

COLOMBO. — Indian troops completed their encirclement of Jaffna yesterday and split the Tamil Tiger guerrillas into separate pockets, a spokeswoman said. The Tigers continued strong resistance and the troops were proceeding slowly in some sectors because of booby-trapped houses and mined streets.

With the offensive in its 12th day, considerable headway in gaining control of large sectors of the town has been made, said the spokeswoman for the Indian high commission in Colombo.

In a statement issued in London, the Tigers charged that Indian troops on Wednesday shelled the neighbourhood around the Jaffna hospital, killing more than 300 civilians and injuring over 500.

The high commission spokeswoman described the report as "a total lie." Reporters have been blocked by India from travelling to the battlefield.

In New Delhi, a foreign ministry spokesman said Indian helicopters had dropped 2,000 food parcels to refugees near the Nallur Hindu temple and the Hindu women's college. Tens of thousands of Jaffna residents took shelter there after India launched its October 10 offensive against the Tamil guerrilla stronghold.

The Indian spokeswoman said Indian columns moving in from the north, west and east of Jaffna had linked up. The south side of the city, which had a peacetime population of 150,000, faces a lagoon.

Political attention was focused here on the fighting and the Indian-sponsored peace plan.

President Junius Jayewardene, addressing members of parliament from his United National Party, defended the peace plan he signed with Prime Minister Rajiv Gandhi of India.

In parliament, a member of the opposition Sri Lanka freedom party said the estimated 20,000 Indian troops in Sri Lanka "pose an eternal threat to the sovereignty and integrity of our motherland."

The Supreme Court yesterday began hearing petitions on the constitutionality of the peace plan. The court has until November 2 to rule. It must also decide whether elements of the plan, which take the form of constitutional amendments, can be approved by parliament or by a national referendum.

Tamil guerrillas have readied suicide squads to hold back Indian troops pushing into their Jaffna stronghold, according to a Sri Lankan journalist just back from the embattled city.

He quoted Mahattaya, deputy leader of the Liberation Tigers of Tamil Eelam (LTTE), as saying that about 500 LTTE fighters had volunteered to form Kamikaze squads for missions against Indian troops and armour in the final phases of the battle for Jaffna.

The journalist, who asked not to be identified, said he spent two weeks in Jaffna and was there when the Indians launched their offensive against the port city on October 10.

Military analysts said suicide teams with bombs strapped to their bodies, could slow down the Indian advance to allow main LTTE units to melt away. (AP/Reuters)

Apartment builders fined record \$5m.

WASHINGTON (AP). — The government levelled a record \$5.11 million fine against contractors Thursday in the collapse of a half-built Bridgeport, Connecticut, apartment complex that killed 28 workers last April.

John Pendergrass, chief of the Occupational Safety and Health Administration, said an investigation revealed "a serious disregard for basic engineering practices, a factor directly related to the cause of collapse."

The investigation found that the collapse was triggered by failure of a jacking system used to lift concrete floor slabs into place. Pendergrass said.

CELEBRATION. — China will send a delegation to Moscow next month for events marking the 70th anniversary of the Russian October revolution.

Open-door policy poses problems for Communist Party

Young Chinese: Take me abroad, find me a wife

PEKING (Reuters). — China's Communist Party faces the challenge of satisfying a billion people who have grown richer in nine years of reform but who are now aware of how far their country is behind the rest of the world.

"All the young people in China want to emigrate. Ten years ago, we did not realize how poor we are. Thanks to the open-door policy, we know how rich foreign countries are. Take me to one, get me a foreign wife." These views, expressed by a 22-year-old waiter in a Peking restaurant, illustrate the changes that reforms, masterminded by top leader Deng Xiaoping since 1978, have brought to China and the dilemmas its Communist Party must tackle at a congress that begins on Sunday.

In the weeks preceding the congress, the press has stressed the strides made by the Chinese since the reforms. For the urban Chinese, especially, the reforms have brought startling images: well-dressed foreigners being ferried about in large cars, fawned on by officials and spending on impulse an amount equivalent to one or two years' salary for a Chinese.

Even more shocking are rich Chinese from abroad, elegant in leather coats, wearing gold watches, evidently as wealthy as the foreigners.

The television has brought pictures of everyday life in Tokyo, Hong Kong, Singapore and New York, with opulence almost beyond the imagination of the viewers, and this challenges 30 years of Maoist propaganda about China's premier position in the world.

"The economy has been well run since 1978, but people are still not satisfied, especially those in the cities," the editor of a Chinese magazine said.

"The open-door policy has enabled them to see for the first time how backwards China is. They have rising expectations. They want more. They have no interest in politics anymore but think only of money," he said.

A long article in the official economic daily last week said that China was so much poorer than Western countries because "the development of Western capitalist countries was built on the exploitation of labour during the bloody era of early capitalism and the plundering of people in the colonies ... a period of 300 to 400 years."

It said that to modernize China, foreign capital and trade were essential, but the country had only embarked on this path late, "due to all kinds of reasons." — a polite reference to Mao's insistence on self-reliance and his refusal to accept foreign debt.

The paper also pointed to the dislocations that the economic reforms had caused and the congress had to tackle.

"Consumer demand in China is too high," it said. For example, "the widespread use of electrical appliances worsens already existing shortages of power. Wage increases are higher than rises in productivity." Inflation has risen, with a year-on-year increase in retail prices of seven per cent in the first nine months of 1987, according to official figures, but Western and Chinese economists say the actual figure is higher.

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JANUARY 1988

3 MIAMI (USA)

5 COZUMEL (Mexico)

7 MONTGOMERY (Jamaica)

9 CROZET (France)

11 PANAMA CANAL TRANSIT

13 PANAMA CANAL TRANSIT

15 GUAYMAS (Mexico)

17 GALAPAGOS (Ecuador)

19 NUKUNHA (Marquesas Islands)

21 PAPETE (Tahiti)

23 PAPETE (Tahiti)

25 BORA BORA (Polynesia)

FEBRUARY 1988

4 AUCKLAND (New Zealand)

6 AUCKLAND (New Zealand)

8 WELLINGTON (New Zealand)

10 WELLINGTON (New Zealand)

12 SYDNEY (Australia)

14 SYDNEY (Australia)

16 MELBOURNE (Australia)

18 WHITSUNDY ISLAND (Australia)

20 CAIRNS (Australia)

22 LARANTUKA (Flores Islands)

24 BALI (Indonesia)

26 BALI (Indonesia)

28 SINGAPORE (Malaysia)

MARCH 1988

1 SINGAPORE (Malaysia)

3 RANGOON (Burma)

5 RANGOON (Burma)

7 MADRAS (India)

9 MADRAS (India)

11 COLOMBO (Sri Lanka)

13 COLOMBO (Sri Lanka)

15 MALE (Maldives Islands)

17 SARGA (Egypt)

19 ELAT (Israel)

21 SUZ (Egypt)

23 SUZ (Egypt)

25 SUZ CANAL TRANSIT

27 PORT SAID (Egypt)

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Djilas blames Tito for coverup of Waldheim's past

Jerusalem Post Reporter
Milovan Djilas, a former top aide of Marshal Tito, said in Israel this week that he believed the late Yugoslav leader had an interest in helping to cover up Kurt Waldheim's involvement in atrocities committed by the Nazi army during World War Two. "After all, he bestowed on Waldheim the Yugoslav order of merit, making the Austrian president the only person to have received both a Nazi and a Yugoslav communist decoration."

One of the communist world's leading dissidents, Djilas subsequently fell out with Tito and spent nine years in Yugoslav prisons. He holds that the Belgrade government benefited directly from Waldheim's cooperation during the 10 years that he served as UN secretary-general. He is convinced that Waldheim must have been fully aware of the atrocities and mass deportations committed in the Balkans by Hitler's occupation army, although he may not have been directly involved in actual acts of killing.

Djilas, at 76, appears to be vigorous and dynamic, although he is still in internal exile, living in total isolation in Belgrade. He was speaking earlier this week at a luncheon given in his honor by Mayor Teddy Kollek, who pointed out how well known and widely read Djilas is in Israel. Still a strong critic of the regime, Djilas believes that Yugoslavia is likely to become the first communist country really to change from within. "It will have to shake up the corrupted political strongholds in Yugoslavia's eight federated republics and revamp the economy," Djilas said, sounding convinced that this will indeed happen.

He believes that the *glasnost* process in the Soviet Union is serious, but it is not a revolution. *Glasnost* is fully controlled, he explained. There are about 600-700 clubs of intellectuals, artists and writers in the Soviet Union today and the KGB has its people in every one of these clubs. Yet the changes are en-



Mayor Teddy Kollek presents Yugoslav dissident leader Milovan Djilas with a copy of his book on Jerusalem at a luncheon earlier this week. (Scoop 80)

couraging and seem to vindicate Yugoslavia's early opposition to the hard-line Soviet regime of the Stalin days.

Djilas stressed the great sympathy the Yugoslav people have for Israel and for the Jewish people. Some 150 of Belgrade's leading writers and intellectuals are about to set up a Serbian-Israeli friendship society. This seems yet another sign of Yugosla-

via's slow but steady *rapprochement* with Israel.

Djilas, whose many books are published all over the world, still cannot be read in his own country. He is not allowed to write or lecture in Yugoslavia, although he can communicate freely with the entire Western world, where he contributes frequently to various intellectual publications.

High Court okays TV's paid sponsorship spots

The High Court of Justice ruled yesterday that it was legal for the Israel Broadcasting Authority's television division to broadcast paid service and sponsorship messages. The decision was by a 2-1 vote with Justices Menachem Elon and Dov Levin in the majority and Menachem Ben Dor dissenting.

The Daily Newspaper Publishers' Association had applied to the High Court for a writ against the IBA, which began broadcasting the service messages in 1981 and sponsors' messages in 1984. The newspaper

publishers claimed that the messages were a form of "advertising through the back door," which was forbidden by law. They claimed that this form of surreptitious advertising cut into the newspapers' advertising revenue.

In his decision, Justice Elon admitted that the IBA, as a statutory body, was not authorized to perform functions not specifically spelled out in the law, and that therefore there was some initial doubt as to the legality of the service and sponsorship broadcasts.

But on the other hand, he went on, the law enjoined the IBA to take all legal steps necessary for carrying out its function to ensure that broadcasts go on. On that basis, he found, the IBA was within its rights in seeking outside sources of financing to ensure the continuation of its TV broadcasts.

Elon found that service broadcasts such as those dealing with smoking, road safety, the purchase of Israeli-made products, the advantages of travel by bus, and the consumption of fruit and vegetables

were definitely in the public interest. The fact that the broadcasts also benefited the farmers, industrialists and bus cooperatives was a marginal consideration as long as the IBA took care not to publicize one specific producer or product.

Justice Ben Dor found that both forms of broadcasts constituted advertising under different guises, and were forbidden by law.

The Newspaper Publishers' Association was ordered to pay NIS 10,000 in costs. (Itim)

Brain research centre at Hebrew U. founded with West German funds

By JUDY SIEGEL
Post Science and Health Reporter
A new brain research centre has been established with West German government funds in Jerusalem in memory of a Jewish scientist who fled Nazi Germany.

The centre has been set up in the Hebrew University's department of neurobiology and named after Prof. Otto Loewi, who won the Nobel Prize for physiology in 1936 while working in the U.S.

Loewi's discoveries relating to the nervous system changed the existing approach towards brain research. He proved that a chemical exchange takes place between cells during the functioning of the nervous system which does not operate solely on the basis of electrical impulses, as scientists had previously thought.

The Jerusalem centre, financed with money from the West German Ministry of Research and Technology, will be headed by Prof. Itzhak Parnas. It will conduct research on the influence of specific drugs on the brain. Special emphasis will also be given to research on the communicative process between nerve cells, the reasons for the death of these cells, the growth of brain cells in tissue cultures, and the identifica-

tion of bodily substances that influence brain functioning.

Members of the new centre include eight Hebrew University and eight West German scientists.

Loewi continued his research until his death in the U.S. in 1961 at the age of 88. His daughter, Anna Weiss, will be arriving from the U.S. to attend the first international conference of the centre, which will open on Sunday in Eilat.

Some 100 researchers from Israel and abroad will take part in the five-day conference, which is called the first Otto Loewi Meeting on Cellular and Molecular Neurobiology. Among them will be 1981 Nobel Prize winner Prof. T.N. Wiesel.

The new centre will operate from the Hebrew University campus in Jerusalem and the Interuniversity Institute in Eilat. Research in that southern city will focus on sea creatures that have nervous systems similar to, albeit less complex than, those of humans.

Once a year, the centre will sponsor an international scientific conference and an international course on advanced brain research. Leading researchers from abroad will be brought here to do their work, and 12 Israeli and foreign doctoral and postdoctoral students will be accepted to take courses. The centre has reportedly obtained some of the most advanced computerized research equipment in the world.

140 Israelis set sail on new casino cruise

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA.—A hundred and forty Israelis who appear to have despaired of making a quick killing on the stock exchange sailed for a weekend on the Cyprus casino ship Princess Marissa for Port Said last night.

The well-appointed, 20,000-ton ship opened a new, direct passenger link between Israel, Egypt and Cyprus, sailing from Haifa every Thursday night and returning here on Sunday morning. Israelis need pay no travel tax as travel to Egypt is exempt, but will have to stay on board on Saturdays when the ship calls at Limassol to comply with exemption regulations.

On the way, passengers may stake their foreign travel allowance at \$2 to \$300 per throw, in the ship's big casino, which features roulette, blackjack and walls lined with "one-armed bandit" gambling machines.

The casino is operated by the Casino de Liban of Beirut and is staffed with Lebanese croupiers. The ship will dock in Port Said on Fridays and passengers will be taken from there to Cairo in tourist buses

to visit the Pyramids, the national museum, a papyrus factory and picture shop, and the bazaar. On Saturdays she will dock at Limassol and will return to Haifa early on Sunday morning.

The weekend cruise costs from \$176 to \$305 per person (plus a \$23 port tax) in two- to four-berth cabins and includes three meals a day, the Cairo excursion and free admittance to floor shows that feature English dancing girls.

The 20-year-old ship was renovated in 1980 and has room for 900 passengers. Captain Vasilis Assimakopoulos told the press. A manager of the Louis Cruise Lines of Cyprus, Michael Stephanides, said the Princess Marissa would foster tourism to the three countries and would also carry Israeli fresh food exports to Egypt.

The ship, represented in Haifa by the Y. Caspi shipping agency, will make the Israel-Egypt-Cyprus run for a trial period of three months, after which the owners will decide whether to make it a regular year-round route. Stephanides said.

Jordan issues tenders for projects worth \$4 m. in W. Bank, Gaza

By JOEL GREENBERG
Jerusalem Post Reporter

Jordan has issued tenders for projects worth over \$4 million in the West Bank and Gaza Strip, as part of its five-year development plan for the areas, according to the East Jerusalem *An-Nahar* newspaper, which is well informed on Jordanian affairs.

In a chart published on Wednesday, the newspaper listed 36 projects in nine geographical areas for which tenders have been issued, totalling 1,353,994 Jordanian dinars (\$4,061,982). The projects include water and electrification schemes, road-building projects, and aid to hospitals and schools. The paper said some of projects have already been carried out or are in progress. The two largest sums were ear-

marked for the Nablus and Hebron regions.

Israeli and American officials say only a small proportion of the sums promised by Jordan under the five-year plan has actually been transferred to the territories. U.S. officials were recently reported to be concerned that American funds given to Jordan for the territories have not made their way there.

The first draft of the Jordanian five-year plan, published in the summer of 1986, put total outlay at \$1.3 billion. The plan was later scaled down to just over \$900 m. in May 1987, apparently because of difficulties in finding local and foreign funding. According to Meron Benvenisti, a specialist on the West Bank, Jordan has allocated \$30 m. for the first phase of the plan.



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Greens delegation -- 'realists' who have come here 'to learn'

By LISA PERLMAN
For The Jerusalem Post

"The majority of Greens are teachers, but we have come here as students," declared Otto Schily, one of three Green Party deputies in West Germany's Bundestag, in Israel for a week-long "fact-finding" visit.

The visit is the consequence of a meeting with President Herzog in Bonn six months ago. "President Herzog is one of the rare optimists [concerning peace in the Middle East]," noted Schily. Added Dietrich Wetzel: "He is the most optimistic we have met. But we still had questions. After that meeting, we had a critical discussion and formulated a new proposal to discuss the problems of the Middle East and a conference with Israeli and Palestinian participation."

The Greens have not yet worked out fully an international conference idea of their own, "but have specific objectives" to improve West Germans' understanding of the issues here, in the face of neo-Nazism and anti-Semitism there.

"There are problems [of anti-Semitism] with small rightist groups, and as a parliamentary force we deal with that, too," noted Waltraud Schöppe, the third member of the delegation. Wetzel said that although the Conservatives have finally come round to the idea that there are to be two German states, there remain small groups that still uphold nationalist dreams of a united homeland — and they work within the conservative mould.

In Israel, the Greens are meeting with Jews and Palestinians of all shades of political opinion, including Peace Now and Gush Emunim activists.

They said they have been received very warmly here; and though the primary intention of the trip was not to mend fences that came tumbling down when the last major Green delegation was here in 1985, such a development would also be "welcome."

A rift has become apparent within their own party ranks. Europe's largest environmental group, and a driving force for feminism, non-violence and anti-nuclear policy, is now divided into two main factions — the Fundis (fundamentalists) and Realos (realists). And the conflict is serious enough for some in Europe to be talking about the group's demise. On this point, Schily would only say: "I'm no prophet, but many of the Fundis are imprisoned in a doctrinaire view of the world."

"We three are all Realos. We try not to be dogmatic. We are not afraid to touch anyone, especially if it's smoothly," interjected Wetzel.

"We want to collect information and then formulate the principles, not the other way round," Schily said.

"This does not mean we do not have principles," he was quick to add. "What about the rights of the Palestinian people here? They must be allowed to stand tall, too."

"I am afraid that there are a lot of people here who give the impression that time is working for an Israeli

state that includes annexation. This is a serious miscalculation, an error." Also alarming, he said, is the tendency in Palestinian youth groups towards fundamentalism and jihad. Jews and Palestinians cannot afford to live without mutual cooperation, he said, referring repeatedly to a social ideal in which the "cultural life, development and identity" of each group is allowed to thrive as well as "the possibility of cooperation to combine them."

"The state is only one aspect of social life. Maybe it is not the most important," Schily said. Self-determination of the individual, not the people, he said, is of the utmost importance.

"Don't misunderstand me: I'm not the doctor to cure the Middle East. But if you analyze things coolly, you lessen the conflict and the possibility of confrontation."

"The peace movement and the ecological movement go together, but every region has its own special approaches to these. We do not overestimate the role of the Federal Republic of Germany or of our small party."

"Sometimes we are called naive. You know the story of the emperor's new clothes? Well, we are a bit like the child who sees the emperor as he really is."

Schily said he saw "great hope" in the fact that with "all our Jewish and Arab friends, the outspoken position was that they want friendly relations between themselves... If you start from this simple statement, I can't see how there isn't a future."



Members of the Greens delegation brush off their hands after planting trees at the Jerusalem Peace Forest this week. (Andre Brummann)

Veteran food writer Molly Lyons dies

Molly Lyons Bar-David, who died on Wednesday, was for some 25 years the food columnist of *The Jerusalem Post* and was considered the doyenne of Israel's cookery writers. She was also a well-known journalist who wrote many lively columns on a wide variety of subjects.

Soon after arriving in the country from Canada in the early 1930s, she made a name for herself in the culinary field. During the Mandate, she gave recipes for Christmas pudding and officials; during the early days of the state, she helped readers to make do with rationing and food shortages.

As food became more plentiful, local chefs and food producers came to her to try new recipes.

Her book, *The Israeli Cookbook*, includes both Israeli recipes and Jewish dishes from around the world, and is considered one of the authoritative collections of its kind. Readers in the U.S. still recall her regular column, describing the day-to-day life of an Israeli housewife, which appeared in the *Hadassah* Newsletter.

In the early 1970s, she contracted a debilitating illness that forced her to stop her work. HAIM SHAPIRO

Golan Druse seeking visits with their relatives in Syria

By YOEL DAR

MAJDAL SHAMS. — Hundreds of Golan Druse have asked Israeli authorities to allow them to visit their relatives in Syria and to resume monthly meetings with them along the border near here.

Contacts between the 14,000 Golan Druse and their Syrian kin were stopped six years ago following their violent protest against the Interior Ministry's decision that they must accept Israeli identity cards.

Over 50 Golan Druse have also asked the authorities to permit their close relations living in Syria to return to their homes and villages un-

der the family unification scheme. Some of the applicants admitted that economic difficulties in Syria were the main reason for their appeals.

The growing wave of applications peaked two months ago when the authorities issued a permit for an elderly woman to cross the border to Syria to visit her sons. A senior official at the Interior Ministry said yesterday that, so far, they had not answered the requests and, as far as he knew, there was no intention to change the current policy which prohibits contacts between the Druse here and those in Syria.

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After the fall: Post staffers assess the significance of the turmoil in financial markets

'The worst is yet to come'

Pinhas Landau

SOME PEOPLE say that yesterday's newspaper is today's bin-liner, or fish and chips wrapper. This week saw a remarkable example of a one-day-old newspaper becoming, literally overnight, an important social document.

Papers printed on Monday morning were, by Tuesday morning, relics of a period of history that was dead and gone. Monday's *Wall Street Journal* is a case in point, with its long analyses of opinions on the markets. What was about to happen was unimaginable to almost everybody. It was a case of Before and After the Fall, with Monday's events on Wall Street forming a clear dividing line between the Before, and the new and unpleasant age that we are now beginning.

That much seems fair to say, however one assesses the future. But given that the actual trading events were worthy of every superlative in the book, what will the long-term effects be?

There is a well-established school of thought that has been expecting precisely this sort of disaster, believing that the entire Western financial system has been out of joint for years, and that we are now in a period of prolonged crisis.

A leading local exponent of this gloomy analysis is Dr. Boaz Barak, who heads a financial consultancy and management firm that is based in Ramat Gan, but has major customers in New York and London. Interviewed on Army Radio on Sunday afternoon, Barak was asked the question that the mavens around the world had been chewing over during the weekend, and that Monday's *Journal* was to address at length: What will the market do on Monday?

There will be a massive run on all the markets. The fall is not over, but will get much worse. The incipient panic will become real and total. That, in short, was Barak's answer. He didn't actually say that the Dow Jones would lose 500 points, but he was looking for a much larger loss than the (then record-breaking) 108 points that the index had lost the previous Friday.

Barak's prediction was largely correct, but not entirely so. The bond market, which is at least as important as the share market, but less widely watched, held steady on Monday and soared upwards on Tuesday. At the same time, precious metals and commodities that, true to their role as havens in times of trouble, had moved on Monday, then slumped on Tuesday. What was going on?

There was a forced liquidation on an enormous scale of companies and individual investors, who had to find somewhere to cover their losses on the share markets, and the margin calls that resulted from them. Many people had been short on bonds, because the bond market had been going down, and were long in commodities as an anti-inflationary hedge. They were forced to close these positions, and this, along with the Federal Reserve Board's moves to lower interest rates, sent bonds flying upwards.

ALL THIS, however, Barak regards as a technical situation. His main thesis is chillingly simple, and explains why he was short on the market when the blow came.

The fundamental economic problems of the U.S. economy — and by extension of the world economy — have gone untreated for too long. The budget deficit has been left to fester and the attempts by the President or the Congress, or both, to do something about it, have all come to nothing.

The budget deficit has been paid for by the rest of the world, so far, which has allowed U.S. interest rates to remain tolerably low. Foreign money which paid for the American boom has begun fleeing abroad, and the prospects are grim. Interest rates will have to rise to attract it back or to drum up domestic

savings to finance the government deficit. In the best case, says Barak, this will continue until the political process finally delivers the goods in the form of spending cuts and perhaps higher taxes.

"No government is good at doing these extremely unpopular things. Look how long it took before the Israeli government tackled its problems," he noted. He expects the U.S. macro-economic problems to show up in rising inflation over the next year or two, beginning within a few months.

"Inflationary pressures already exist under the surface, and they will now burst forth, because the 'cap' that foreign financing put on U.S. interest rates has been removed."

Thus, according to the Cambridge-educated, Israeli-born Barak, the scenario is likely to develop as follows:

In the short-term, the markets will remain extremely volatile, with huge jumps possible, even likely, in both directions. The damage that has been done, however, is irreversible, and over time several trends will become clear.

The volume, for instance, which has reached mammoth proportions in recent days, will gradually shrink, as many investors are spewed out by the market or simply pack their bags and leave in disgust.

The hundreds of billions of dollars of paper wealth that were knocked off prices have disappeared in a puff of smoke. Those who borrowed or spent against it, whether individuals or corporations, are going to be in a great deal of trouble.

Many of the financial services firms that have sprouted and grown in the course of the bull market have already suffered grievous losses. The drying-up of volumes will finish them off, and they will either do away with large portions of their business, merge, or go bankrupt. This process could extend to banks as well, and become a major problem in its own right.

Share prices have already made most of the correction back to reality, but they may well have overshot the drop needed to bring them in line with "real" values. In fact, an entire bear market took place in a few trading days. Barak expects to find the Dow at roughly its present level in a few months time, although there will be plenty of ups and downs along the way.

Rising inflation will continue to hit long-term bond prices, and drive money into inflation-hedges such as precious metals. Real estate, however, which became bloated along with the share market, is likely to be shaken out as thoroughly.

Short-term deposits and money market funds will again become the big hit, as they were in 1980 to 1982, and these will represent the best form of protection for conservative money. But Barak advises investors to hold a proportion of their portfolio in precious metals as well.

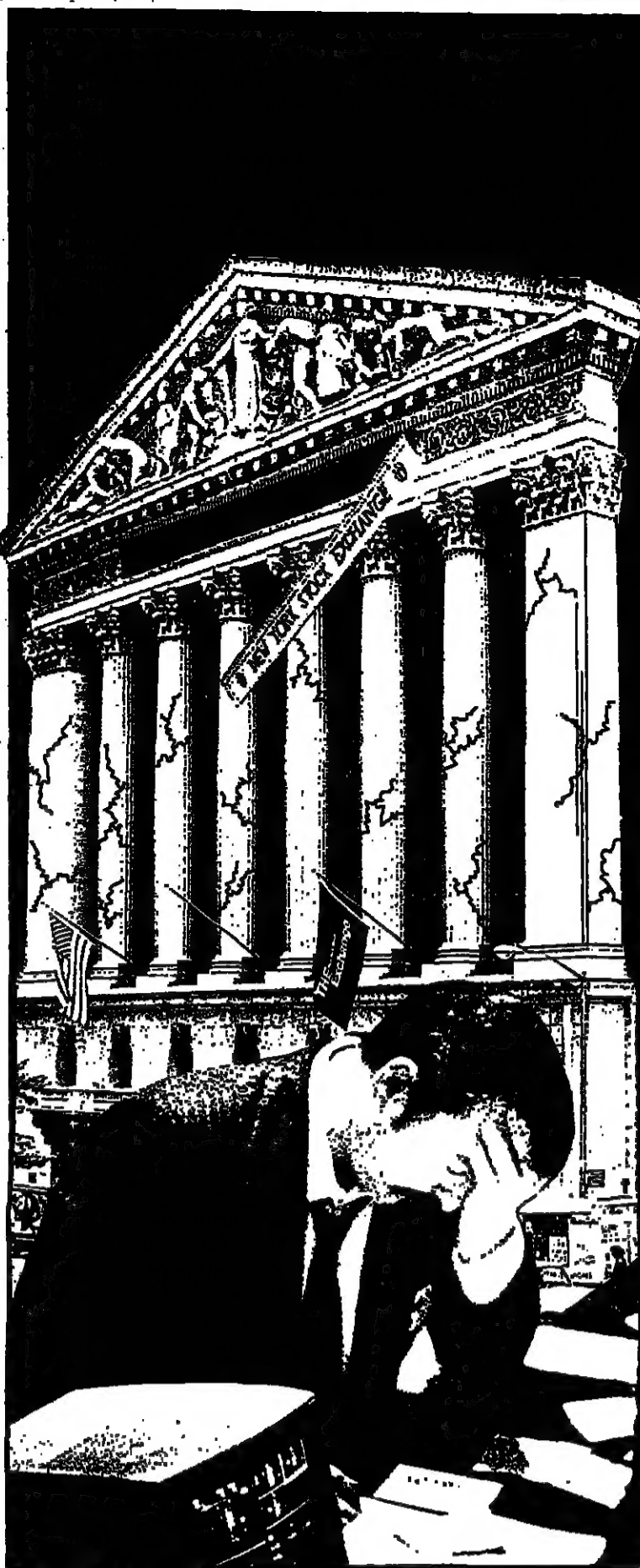
OVER TIME, the markets will calm down as the hot money and hot air goes out of the contracting balloon. What will remain is the lack of confidence in the management of the economic system.

Unlike the 1929 scenario, however, the result this time is unlikely to be a worldwide depression, but more the inflation and stagnation that characterized the early Eighties.

Because its economy has been managed worst, the U.S. will suffer more than other countries. (The effects on Israel, an economic adjunct of the U.S., may be imagined.) But the interlinking of national economies, dramatically illustrated in the stock market crash that round-the-clock trading brought, will ensure that everyone else feels the effects from America.

That's the way the pessimists see things happening.

Last week, they were just gloom-and-doomers. This week, After the Fall, they can't be so easily dismissed.



What makes the bubble burst

Avi Temkin

THERE ARE many names for financial crises, including "crashes," "panics," "runs," and "crunches." They always involve heavy, frantic selling of financial assets, huge losses, and traumatic changes which can cause financial operators to go bankrupt.

Crashes are usually preceded by a wave of speculation, a frenzy of buying and selling during which yesterday's boom turns into today's bust. The crisis may then be followed by what economists call a "recession" — a decrease in output and an increase in unemployment. In the Thirties, financial panic led directly to the 12-year Depression which caused unemployment to peak to then-unprecedented heights.

The severe trauma of the Depression and the 1929 crash led to the introduction of major reforms in the world's financial system. Institutional changes designed to prevent crises and panics were developed, including the institution of the Federal Deposit Insurance Corporation in the United States and similar bodies in other countries.

In the 20 years following World War II, it seemed as if the phenomenon of the financial crisis had been eradicated. However, since the Seventies, the world economy has witnessed several mini-crises and awareness is growing that it is treading on very thin ice.

In the U.S. alone, financial crises threatened to erupt in 1974 when the troubles of the Franklin National Bank — the 20th-largest in the country — were announced. In 1980,

silver speculation by the billionaire Hunt brothers ended in huge losses when the prices plummeted. In 1982, in the U.S. and elsewhere, international banks were hit by news of the potential default of Mexico's \$100 billion foreign debt. In 1984, the Continental Illinois bank was hit by a run on deposits.

In all of these instances, either the government, the banking system or the Federal Reserve intervened to bail out the bodies concerned, preventing local troubles from becoming major crises. Their rescue procedures took the form of lending money or setting up a last-minute take-over by a stronger financial institution which then took upon itself the commitments and obligations of the troubled body.

Events on Wall Street two days ago were another example of this type of intervention: Through its chairman Alan Greenspan, the Fed announced that it would back up the U.S. economy by injecting necessary liquidity. Later it emerged that an agreement on cooperation by the members of the seven most industrialized countries had been reached, in which their governments pledged to inject liquidity into their economies and to coordinate efforts to prevent a larger crisis.

Such cooperation was not always the case. Sometimes, as in 1929, central bankers and governments opted to do nothing. They let the crisis "burn itself out," arguing that governments should not bail out speculators. The results were disastrous.

(Continued on page 8)

Local scenarios for uncertain times

Shlomo Maoz on possible effects of this week's Wall Street tremor

AWARENESS that the world is facing a recession will gradually enter into our consciousness. Perhaps only later will it spread to the minds of Israeli policymakers who, hopefully, will be able to act accordingly.

The loss of hundreds of billions of dollars by American investors will eventually lead to a cut in demand for goods and services all over America. The expected deterioration in business activity in America as a result of stagnation in demand and, later on, even recession will spread all over the world.

It will force Americans to consume less, save more, replace imported goods by American-made products and, therefore, at least partially cut the American market off from the rest of the world. At the same time, the federal tax revenues collected from the business sector will probably fall. That will cause a reduction in federal spending, which appears to be overheated.

Israel depends overwhelmingly on the U.S. About one third of our total exports — \$2.4 billion a year, go to the U.S. For years we have neglected markets other than the Europe-America bloc because those other markets were harder to come by. Examples are the Japanese and South Korean markets. This is because our mentality is fully oriented toward western industrialized countries with Jewish communities.

Now Israel should put more effort into selling to the newly industrializing countries in the Far East. It will not be easy to shift our exports since part of the goods, especially in electronics and high tech are sometimes suited solely to the American market.

Prof. Haim Barkai of the Hebrew University in Jerusalem said that he was afraid that the electronics industry will be affected since it is already in recession. Fall in demand can harm this industry. We will be lucky if the Americans keep to most of the Free Trade Area (FTA) accord between our two countries. Therefore we should continue to export what is worthwhile, just in case American protectionist policy takes over.

Some sophisticated Israeli companies were hoping to raise funds in

the U.S. financial markets by issuing stocks and bonds. Even our government, after talking for 10 years about selling its corporations since the Likud came to power in 1977, planned to raise funds in New York.

The chances of the two monopoly giants — Bezek and Israel Electric Corporation — doing the same are now slim indeed. So are the chances of other public corporations to raise funds.

But to understand how fully dependent we are on the U.S., we turn to the aid issue. The Americans grant Israel about \$3 billion annually, of which \$1.2 is in direct non-military cash aid. Our total exports are about \$7 billion a year, which is roughly only a half added value. This means that our "real" net exports are about \$3.5 billion. Thus, the American help is almost equal to Israel's total exports. Even the American cash support is about a third of our net exports.

As it seems now, the Reagan administration and surely that of his successor will have cut their budgets, including the foreign aid section. Since Israel takes approximately a quarter of all the foreign aid, we will probably have to face up to a new situation. According to this scenario, Israel will have to depend more on commercial loans and later on revamp its military ambitions by showing more flexibility in the Middle East conflict.

Defence Minister Yitzhak Rabin was right when he connected the scrapping of the Lavi with the new world situation. We were quite wise to cancel the Lavi project. Continuing the Lavi in face of the anticipated world recession would have brought us to total disaster. But Rabin forgot to say that in order to stabilize our economy in the future we must cut the budget by reducing

defence spending on fruitless equipment.

Israel is also supported by donations and loans from Jewish communities around the world but mainly in America. We will have to manage more by ourselves. This means that Israel will be short of money.

Just when we were almost at the beginning of a new era of economic growth we will be forced to leave our dream. The emergency situation will force the politicians to think more economically. This will be the chance to restructure our economy.

But meanwhile a nervous government with a lot of uncertainty will find the easy way through devaluation. Even Economics Minister Gad Ya'acobi said that it wasn't needed now.

Israelis who already feel uncertain are rushing to shops to buy whatever they need or their neighbors need. With their developed sense for changing situations they keep on preferring imported, heavily-taxed durables. The wisest might find that the best thing to do is to buy (illegally) foreign currencies since they have no legal way to insure their money against devaluation.

People here and all around the world will find within months that the best thing to do is to hold onto cash if they live in hard currency countries, or foreign currency in the rest of the world. During a recession, property and other assets lose their value sharply.

The situation could easily develop here. Real estate, cars, and businesses will drop in value. The people with cash will come later to buy all these assets at low prices.

Some will prefer to ignore developments as they were just described here. They would say that since the Israelis have about \$36 billion, why should they be concerned? But most of these "assets" are government obligations, and the government itself has little to place behind this asset. The government's cover is its ability to levy higher taxes, to put administrative curbs on the population.

Is it a crazy scenario? Maybe. For a better scenario we need better politicians.

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If Uncle Sam tightens his belt

Wolf Blitzer / Washington

day." And there was indeed an extraordinary crash.

As of this writing, the market has made an impressive comeback. The blue chip stocks, which suffered huge losses on Monday, rallied to regain their leadership positions.

BUT FEARS REMAIN. For one thing, many of those blue chip companies were buying their own stocks to bolster demand. What happens when they stop doing so?

The mood of Wall Street, therefore, is that disaster could easily strike again, especially because a new wave of super computers has made the buying and selling of huge quantities of stocks almost instantaneous.

The high-technology of the marketplace — especially as applied by the largest financial houses and pension portfolios, which automatically unload various stocks following a certain percentage loss — no doubt helped to trigger that crash. There already is talk of federal governmental intervention to limit these kinds of gigantic stock transactions completed by ultra-sophisticated computer programmes.

Some call them mindless. Yet that same computerized process, of course, helped in the speedy and dramatic recovery.

THERE ARE important implications in all of this for Israel and other countries that have become so

dependent on the U.S. over the years.

The most important lesson, of course, is to find a way to weaken their financial dependence on America. They cannot expect the U.S. always to be in a mood of economic largesse. There are limits to Uncle Sam's generosity.

Israel, in recent years, has been receiving \$3 billion a year in economic and military assistance from the U.S. — \$1.2b. in economic and \$1.8b. in military grants. But it is becoming increasingly unlikely that Israel will be in a position to win any increases in the foreseeable future. The Gramm-Rudman budget-cutting mood on Capitol Hill, for one thing, is by no means disappearing. If anything, the lawmakers are becoming more and more fiscally frugal.

(Continued on page 18)

Anatomy of a boycott

Joel Greenberg

THE GRAFFITI on an East Jerusalem wall was spray-painted in large red letters: "Yes to the PLO, no to any meeting with Shultz. General strike on Friday and Saturday."

Though the message was signed by the Democratic Front for the Liberation of Palestine, it reflected the general mood of despondency in the territories, which apparently led to Sunday's unprecedented boycott by eight Palestinian public figures of a meeting with U.S. Secretary of State George Shultz.

The boycott demonstrated the prevailing hopelessness regarding the Middle East peace process which plagued Shultz's visit here. The inability of Israeli, Jordanian and Palestinian leaders to move toward an agreed format of negotiations was evident in the secretary's remarks which were strikingly similar at the beginning and end of his visit. When he arrived, he spoke of the need to "put on our creative thinking caps" in order to achieve progress toward talks. When he left he said the sides were "continuing to scratch their heads" to find a solution. It seemed that he had gotten nowhere.

The dead-end feeling was very evident in the Palestinian community and is apparently the real reason for the boycott. Even deposed Gaza mayor Rashad Shawwa, a moderate who has criticized the PLO leadership and supports a strong Jordanian role in any settlement, stayed away. "I really felt sort of frustrated, and that nothing much was going to come of the meeting," he said. "Everyone was getting so fed up and hopeless about the U.S. stand that no one really cared."

Added Palestinian journalist Daoud Kuttab, who followed developments leading to the planned meeting: "People felt they had basically said what they had to say, and that there's nothing more we can do at this point."

THE PLO called for the boycott, and two Palestinian invitees told U.S. officials they had been threatened by PLO activists.

The planned meeting with Shultz provided a prime opportunity for the PLO to demonstrate its displeasure with U.S. policy on the Palestinian issue, and specifically its anger over the recent State Department decision to close the organization's Palestine Information Office (PIO) in Washington. (PLO chief Yasser Arafat said this week in Kuwait that the closure order was the reason for the boycott.)

Since the regional peace process is moribund, the PLO does not stand to lose much from its anti-American gesture. There are no imminent U.S.-sponsored peace talks in the offing, so the PLO does not risk being left out of such negotiations because of action against the U.S. The only thing the boycott seems to have drawn is criticism by Shultz and the wrath of the U.S. consul-general in Jerusalem, Morris Draper, who is reported to have been incensed by the move.

The PLO's tactical considerations were fuelled by popular sentiment in the West Bank and Gaza Strip, where demonstrations and strikes erupted before the Shultz visit, and were deliberately prolonged for Shultz's benefit. Discussions with PLO backers in the territories, including some of those invited to meet Shultz, revealed other local factors which worked against the meeting.

Momentum has been building among PLO supporters for over a year against meeting with American leaders and others whom they consider less than friendly to the Palestinians. It was evident in the flurry of internal Palestinian debate which preceded similar meetings with British Prime Minister Margaret Thatcher and U.S. Vice President George Bush when they visited Jerusalem last year. It was also reflected in debates among PLO supporters on whether to attend the annual July 4 receptions at the American consulate in West Jerusalem.

U.S. Secretary of State George Shultz's flurry of meetings with Middle East leaders this past week has left most observers with the impression that the peace process is completely stalled. The Jerusalem Post's Joel Greenberg reports on the reasons behind the Palestinian's PLO-directed boycott of Shultz in Jerusalem, and correspondents David Horovitz and Wolf Blitzer report on the views from London and Washington.

The arguments were part of the love-hate relationship between Palestinians and the U.S. On the one hand the Palestinians look to the American administration for support and to apply pressure on Israel to promote their interests.

On the other hand, they resent U.S. policy which they see as fundamentally biased in Israel's favour and therefore hostile to them. The resentment has flared at different times, such as after the U.S. bombing of Libya last year, which they depicted as blatant anti-Arab aggression.

SHULTZ IS considered by Palestinians to be an outstanding proponent of the U.S. administration's policy toward the PLO and a strong friend of Israel. It was he, they say, who signed the order to close the PIO in Washington.

"He left no room for any kind of communication," said Radwan Abu Ayyash, head of the Arab Journalists Association and a PLO supporter, who was among those who boycotted Shultz. "This was the last straw. I don't think he really wants to hear the Palestinians' ideas. If he's not willing to hear the Palestinian voice in his territory, why would he want to listen to it here?"

Some of the invitees said they would have hurt their cause by meeting with Shultz; they would be in no position to change his preconceived notions about the Palestinian issue, especially since he did not appear to be prepared to apply real pressure on Prime Minister Shimon Peres. Instead, they would have provided him with a platform to display a false objectivity and promote a local Palestinian leadership as an alternative to the PLO, they said. "We felt he was going to use us, rather than hear us," said Abu Ayyash.

Shultz's intention to meet Palestinian businessmen to discuss improvements in the quality of life in the territories irked some of the invitees, who noted in a memorandum they prepared (but which was never delivered) that "occupation and improvement in quality of life are contradictory. Promoting one means ending the other. Talking about both perpetuates Israeli occupation."

Many of the Palestinians publicly denied a statement by Shultz that they had been threatened. They emphasized that their boycott was a product of their own considerations and the mood in the streets and refugee camps.

"In the two preceding weeks, seven Palestinians had been killed in Gaza, there were clashes with police at the Al-Aksa mosque, and a woman was killed in Ramallah. It was not the best time for a meeting with Shultz," said Kuttab. "There was no need for threats."

Despite the prevailing mood, at least one Palestinian invited said that he disagreed with the boycott, though he abided by it in order not to break ranks. Dr. Hatem Abu Ghazaleh of Gaza labeled the boycott "self-destructive and counterproductive."

"The Palestinians should be interested in talking to everybody," he said. "We should make it our business to make our position clear, and put the other party on the spot."

Abu Ghazaleh said it was ironic that Palestinian opinion makers who rejected the meeting with Shultz did not voice loud objections to a recent meeting between about 100 Palestinian public figures and the outgoing head of the Gaza Strip Civil Administration, Shaike Erez. "They let them go to the military governor and give honour to the occupier, and they stop persons representing Palestinian aspirations who are to meet someone far more important. It's ridiculous."



Shultz and Egyptian Foreign Minister Esmat Abdel Meguid in Cairo on Monday, following Shultz's meeting with President Hosni Mubarak. (AFP telephoto)

Mideast low on London's list

David Horovitz

LONDON.— U.S. Secretary of State George Shultz and British Foreign Secretary Sir Geoffrey Howe sat for two hours across a breakfast table on Tuesday, discussing everything from diving share prices to the Gulf, from arms control to Afghanistan. Yet, despite the fact that Shultz had just flown in from visits to Israel and Egypt, and had met only the night before with Jordan's King Hussein, the Middle East peace process scarcely rated a mention.

Put starkly by sources in Whitehall, "There were simply so many other things to talk about — areas in which progress might conceivably be made."

Shultz's flying visit to London showed all too clearly how badly the Middle East peace momentum has stalled, at least the momentum towards the kind of international umbrella conference that Foreign Minister Peres has been advocating and that Britain has specifically endorsed.

There are signs, however, that moves are being made in the direction of a kind of interim conference

involving just four actors: Israel, Jordan, the U.S. and the Soviet Union.

Shultz did not discuss such a conference with Howe because the British remain firmly committed to the idea of an international parley at which, as permanent members of the UN Security Council, they would be present.

But the secretary of state is believed to have raised this proposal with Hussein, in the course of two meetings in less than 24 hours.

When Shultz went to Israel at the start of the week, the Peres camp was hoping for a U.S. endorsement of the international conference, or at least for some American pressure on Premier Shimon Peres in that direction. According to Israeli sources here, though, Shultz if anything drifted nearer to Shamir's viewpoint. The sources believe that Shultz and Shamir discussed the idea of an interim conference, a compromise arrange-

ment by means of which Jordan and Israel could talk under superpower auspices but without superpower pressure of any kind.

"Shamir may have been ready to accept this," said one source, "and that presumably is why Shultz spent so much of his time here with Hussein, sounding him out on the idea."

From Britain, Shultz flew on to the Soviet Union, where arms control dominated the agenda and the Middle East was pushed further down the list of priorities.

Nevertheless, the idea of an interim conference would be attractive to the Soviet Union, and there were signs in Israel that Shultz would be willing to consider a Soviet role.

While nothing remotely concrete has emerged from Shultz's capital-hopping this week, there are signs that the U.S. has grasped the fact that Shamir, or at least the Likud, may be in power for some years to come, and that it is therefore unwise to pin peace policies too firmly to the Peres mast. This is something that Britain has conspicuously failed to realize, or has chosen to shy away from.

Pessimism is the password in Washington

Wolf Blitzer

WASHINGTON.— The reports coming from American journalists travelling with Secretary of State George Shultz following his visit to the Middle East were unanimously gloomy.

Basing their stories on comments made by Shultz himself, they suggested that no serious progress had been made in attempting to advance the Arab-Israeli peace process.

"Shultz, Ending Mideast Swing, Reports Peace Prospects Are Dim," read a headline in *The Washington Post* on Wednesday. A headline that same day in *The New York Times* said: "Shultz Expresses Frustration on Talks for Mideast."

Both reports quoted extensively from the secretary's remarks following his visit to Israel, Egypt and Saudi Arabia as well as to London where he met twice with Jordan's King Hussein.

"I think we're a little ahead but I really can't point to much on the peace process," Shultz said. "Realistically, I can't point to any particular thing that moves matters forward."

But the secretary still promised to "keep working at it."

That rather modest comment suggested to some knowledgeable observers in Washington that perhaps there had been some positive movement after all, despite all the public pessimism. They raised the possibility that Shultz was trying to lower public expectations before the start of his talks with the Kremlin leadership. The Soviets had to be pressed to modify their own stance. Shultz could not appear to be too eager.

But there was some diplomatic activity that could have significance. As he made preparations to fly to Moscow, Shultz dispatched the

State Department's top Middle East specialist, Assistant Secretary Richard Murphy, back to the region to continue talks with various leaders. Murphy was told to brief them on Shultz's talks with Hussein and on other aspects of the peace process.

Still, the prevailing mood among most U.S. officials in Washington was one of pessimism. The gap remains rather wide, they said, discounting rather upbeat speculation in the Israeli press about a serious narrowing of differences between Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres on an international conference.

There were reports in Israel suggesting that an international conference chaired only by the U.S. and the Soviet Union — without the three other permanent UN Security Council members present — could represent an acceptable compromise of sorts.

"It's the usual Israeli imagination," one U.S. official said, referring to the stories in the Israeli press.

He said the parties were basically "spinning their wheels" in advance of the November 8 Arab summit in Amman. That gathering of Arab leaders was originally supposed to focus attention strictly on the Iran-Iraq war. But in recent days, U.S. officials said, there has been a growing likelihood that the Arab-Israeli question will also be raised.

Hussein, for example, was described as especially nervous about the prospect — possible but remote — that Syrian President Hafez Assad could perhaps mend his ties with PLO chairman Yasser Arafat. That scenario, U.S. officials said, is dreaded by the king.

THE AMERICANS were themselves fearful that Hussein could even back away from some of his earlier flexibility — as conveyed directly to Peres — on an international conference because of Arab summit jockeying.

Shultz, for his part, was counting on Hussein to go further in easing Shamir's concerns — a scenario considered uncertain at best right now.

The maneuvering in advance of the summit has been intense. Even before Shultz's trip to the region — his first in more than two-and-a-half years — American officials had become aroused by the clearly more active Soviet role in the region in recent months.

Indeed, the Soviet deputy foreign minister, Yuri Vorontsov, had visited Egypt, Jordan and Saudi Arabia just before Shultz embarked on his own journey. The Americans scurried to find out exactly what Vorontsov was up to.

What they learned, they later said, was not very good news. The Soviets were lobbying for Arab support for their positions at the Arab summit. The Soviets, they also reported, were still pressing for a more direct and substantive role in any international peace conference on the Arab-Israeli conflict than Peres and the Americans have envisaged. The Soviets want the international participants to be very concretely involved in the dialogue — whereas Peres and the U.S. are aiming for a much more modest, largely ceremonial international involvement.

Shamir, of course, remains opposed to any Soviet role, although Israeli newspaper reports suggested that his opposition may be softening somewhat following the talks with Shultz.

American officials noted pointedly that Shamir's remarks on the Soviets during a Knesset address this week were relatively tame. Was he signalling a possible shift in his stance?

"The Soviets are pushing very hard for an international conference," Shultz told reporters aboard his aircraft. But the anticipated parley is "exactly the kind of conference the Israelis are shy of — and I agree with the Israelis."

Overall, Shultz expressed his personal frustration with the slow pace of these procedural discussions: "Excessive consultation on modality problems is not the way to pursue things," he said. "We ought to be scratching our heads more on what the substance ought to be."

But other events, U.S. officials in Washington said, appeared to be conspiring to make a very active and sustained high-level U.S. diplomatic initiative in the Middle East, this late in the Reagan tenure, even more unlikely than before the Shultz journey.

They referred specifically to the roller-coaster stock market in New York, a subject which has understandably come to dominate the minds of the top leadership in Washington. And the Americans, for good reason, also seem much more concerned about the heightened tensions in the Persian Gulf — and the prospect of a more direct U.S.-Iranian confrontation erupting — than the actual form of an Arab-Israeli peace conference.

According to U.S. officials, there is only an outside chance that some sort of Arab-Israeli peace process can, in fact, be revived. They cite what they describe as the Soviet Union's obdurate stance, but also acknowledge that the positions separating even Peres from Shamir remain significant.

"The history of the Arab-Israeli conflict also reinforces the notion of deadlock and failure — a point well made the other day by David Ignatius, an editor at *The Washington Post*. A former Middle East correspondent, Ignatius told a group at a Washington "think tank" that his basic rule of thumb in assessing the region was simply this: "Pessimism pays."



Shultz warns at a Jerusalem press conference on Sunday that a stale-mated peace process will have disastrous consequences for the region. (AFP telephoto)

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THERE IS NO doubt that Akiva Lewinsky, who wants to be the next chairman of the World Zionist Organization and Jewish Agency, has an image problem. Even some of his closest supporters are ready to concede this.

This problem is only partly related to the fact that Lewinsky lacks charisma, thought—rightly or wrongly—to be an indicator of true leadership abilities.

His image problem is related mainly to the difficulties many people have in reconciling what he has done as No. 2 man in the Agency/WZO, with what he says he would like to do in the top job of chairman. Many people find it hard to reconcile the image of back room wheeler-dealer and financial manipulator that Lewinsky has projected as treasurer for the past nine years, with the image of statesman and reformer that he has recently begun to cultivate.

Hardly anyone disagrees with the notion that both the Agency and the WZO, which employ about 3,000 people and spend about \$500 million a year, are in need of a thorough shake-up. But many people find it surprising that Lewinsky, whose career in public service spans almost 50 years, has stepped forward as the one who wants to do the shaking.

Why do you want to be chairman, he was asked this week in an interview. At 70 years of age, isn't it time to rest?

"I don't see my work in the Agency as just a career, but as a form of service. I came to the Agency from another sector, as you know," Lewinsky said, referring to his work in banking. "As long as I feel that I can contribute, I'll continue. If I feel that it is time to rest, I wouldn't be taking this on. It is too important for me to leave it and retire."

Such sentiments form the familiar credo of many of Lewinsky's generation—men and women who turned their backs on their middle-class European background in the 1930s, joined a pioneering Zionist youth movement and eventually established kibbutzim in pre-state Palestine. They built Israel's Labour movement from the ground up, took on dangerous assignments for the Zionist movement in the war years, and later rose to powerful positions in the political and economic organs of the Labour and Zionist establishment.

And they held on to these positions as long as they heard the call of duty, even if to others it seemed that the call had long since faded.

Lewinsky made aliya from Geneva, Switzerland in 1934, and in 1936 became a founding member of Kibbutz Ma'ayan Zvi in the southern Carmel. He was sent on rescue missions during the war to Berlin and Turkey, and from 1945 to 1948 he brought Jewish children out of the ruins of Europe through Youth Aliya.

After being in charge of economic affairs for Mapai's kibbutz movement, he served as a senior director of Bank Hapoalim from the early 1960s until he was elected Agency/WZO treasurer in 1978. During this time, he developed international banking connections and became involved in Labour Zionist and WZO financial affairs. He is still a member of Ma'ayan Zvi,

although the simplicity of this background contrasts with the life-style to which he has become accustomed in his high Agency position, with the King David Hotel as his Jerusalem residence. This is not the only contradictory element in Lewinsky's image.

OPPOSITION TO Lewinsky's candidacy for the post of Agency/WZO chairman has arisen both within the Labour Party and among the Diaspora fund-raisers who have a say in selecting the head of the Agency. His detractors argue that Lewinsky embodies the system that he now says has to be changed.

How does he react to this charge?

"Those who want to change the system can't always manage to do it," he says in his cryptic style. "This means being able to create the circumstances that can bring change. This is a Jewish organization and not a state. Young people just can't come in and make a revolution."

Using a banking metaphor, he continues: "To start something new, you need credit. Credit is not given for an unlimited time, and eventually you have to pay it back. When I put my proposal for change on the table of the Zionist Congress, I will be asking for credit."

Lewinsky's proposal calls for some major changes in the structure of the WZO. The WZO is run by Zionist political parties from Israel and around the world; with a \$60 million annual budget it provides educational programmes, shikim (emissaries) and other services for the Diaspora. First of all, he wants to cut down the size of the WZO Executive from 36 to 17 members. To do this, he wants to combine some of the smaller departments and operate through five large departments. A streamlined executive would also mean cutting back on the large number of American Zionist leaders who now have seats on the executive, even though they operate out of New York.

A new body with no more than 51 members, tentatively called an "executive board," would be created to supervise the executive and to set policy for the departments. This, Lewinsky says, is intended to enhance the departments' accountability to the governing bodies of the WZO, which in the past has been minimal.

This proposal, however, would create a fourth layer in the governing bodies of the WZO, and would further reduce the importance of the Zionist General Council, which is supposed to be the supreme organ of the WZO between congresses.

The five large departments envisaged by Lewinsky would be as follows: Aliya, which would focus on promoting aliya from the West; Youth and Hehalutz, which would become a department for informal education among younger age groups; two departments dealing with formal education in the Diaspora, one Orthodox and one general; and the Organization Department, in charge of holding elections to the Zionist Congress and maintaining contacts with Zionist federations around the world.

"This is not just a structural change," he asserted. "Having a small number of large departments forces us to bring our top priorities into focus: promoting aliya and Jewish-Zionist education, and fostering participation in the Zionist Movement. These are the essential activities of Zionism."



Charles Hoffman draws a profile of Akiva Lewinsky, left, whose supporters portray him as a misunderstood idealist

What Zionist message is to be transmitted to the Diaspora through these bodies? Ideology has never been Lewinsky's strong point, nor is he known for his rousing Zionist oratory. But he can be a perceptive observer, and recently reported to a meeting of the Zionist Council in Israel on changes he had noted among Jews abroad, particularly the younger generation.

Many Western Jews today lack the sense that they are living in *galut* (exile), he explained. Furthermore, he said, they feel so much at home in their host countries that they don't even know what the concept of *galut* means. Shouldn't the message projected by the WZO departments and its hundreds of emissaries be reformulated to take account of this new reality, especially when promoting aliya?

Lewinsky ponders this question for a moment, then replies: "You can't always be looking for something new. Zionism is a simple idea: Jews can live as Jews only in their own country."

"Take the Jewish demographic conference going on this week. The Jewish people is disappearing. The *galut* has created the demographic problem. When you don't live in your own country, you disappear."

WHAT IS CERTAIN to arouse debate, at least within the WZO, is Lewinsky's proposal to put new faces into the Jewish

Agency to represent the Israeli side of the partnership in that body.

The Agency is run jointly by the WZO and the main Diaspora fund-raising organizations, the United Israel Appeal in the U.S. and Keren Hayesod in other countries. The Agency, with an annual budget of \$420 million, provides services in Israel for immigrant absorption, education, rural settlement and urban rehabilitation.

For some time now, the fund-raisers have realized that the WZO politicians who sit with them on the governing bodies of the Agency don't represent the "real Israel." The fund-raisers have tried for the past several years to make it possible for people representing broader sectors of Israeli society to join them in running the Agency, but they have been consistently rebuffed by the WZO leadership, which of course includes Lewinsky.

The WZO politicians were naturally wary of any proposal that would replace them with farmers, mayors, professors, businessmen and industrialists, and prominent people from development areas. But this is just what Lewinsky is now proposing. He appears to be concerned that there is a real prospect of massive Diaspora alienation from the WZO and the Agency unless these and other reforms in both bodies are adopted at the congress.

He says his plan has the backing of the Labour Party, and that the other parties will eventually come around. But other observers doubt that his reform package has much chance of passing, since the parties will be seeking primarily to protect their vested interests.

Last month Lewinsky sent a letter to all members of the Jewish Agency Assembly, its supreme governing body, outlining the

above proposals and stressing the need for change in the Agency and for greater accountability. This letter, with its rosy rhetoric of reform, only succeeded in making Lewinsky's credibility problem worse, according to some. The entire exercise was dismissed as a "too little, too late" attempt to ward off a veto of his candidacy by the fund-raisers.

A LOOK AT Lewinsky's performance as WZO/Agency treasurer in some ways increases the enigma surrounding the man, since the record points in contradictory directions.

No one can deny that he helped straighten out the rather messy Agency finances he inherited from his predecessor Arye Dulin, who graduated to the post of chairman. The Agency debt was climbing into the stratosphere and a big chunk of the budget was eaten up each year in interest payments. The budget itself was a oversimplified affair that revealed few details and grouped expenditures in vague categories.

Lewinsky successfully enforced the fiscal reforms adopted by the Agency board of governors by maintaining a balanced budget and bringing down the debt from \$650 million to \$470 million. He also pushed through big cuts in the bloated Agency staff and streamlined its functions. In addition, he produced a detailed budget book that clearly presented the main expenditures and functions of the Agency—even if it left a few dark corners unexplored.

In the WZO, he cleaned up the system of party financing, putting it on an objective, per capita basis.

But other areas of WZO and Agency finances left much to be desired. This year's comptroller's report on the WZO revealed that Lewinsky has been using the "reserve" category of the budget as a multi-million-dollar slush fund to make regular grants and ad hoc payments to various organizations. In general, the comptroller found that many of the WZO grants to organizations were made without clear criteria, and some organizations received money from several, different sources within the Agency and WZO, with no coordination between them.

Lewinsky left untouched the corrupt Agency system of "constructive funds" that diverted money intended for other purposes to party coffers. Systematizing criteria for other Agency grants to organizations only began under pressure from the fund-raisers.

In addition, some say that Lewinsky's stonewalling tactics vis-à-vis the grant requests of the Reform and Conservative movements created needless antagonism to the Agency among American Jews, which in turn threatened communal fund-raising. Whatever the case, when the American fund-raisers finally imposed a funding solution for these movements on Lewinsky early this year, they took care not to entrust him with its implementation.

Another matter that spread mistrust of Lewinsky among the American fund-raisers was his handling of the touchy issue of funding for non-Zionist institutions. Last

year's Agency assembly voted to cut off Agency funding to non-Zionist veshivot and other institutions that failed to meet certain criteria spelled out in a resolution.

Lewinsky implemented the resolution in a way guaranteed to arouse widespread opposition in Israel in all Orthodox circles. Some claim he invited this pressure in order to avoid implementing the resolution altogether. At any rate, by the time of this year's assembly, nothing had been done. But Lewinsky staved off angry protests at the assembly by securing the passage of a new resolution that watered down the original one.

He said that he has now devised criteria capable of solving most of the problems. For the institutions subsidized through the Agency's Youth Aliya Department, the test of eligibility for aid will be whether the department, with its strong Zionist approach, is to have any say over what is taught there. If not, there will be no support for those institutions.

As regards yeshiva students from abroad subsidized through the Student Authority, Lewinsky would recommend turning this entire programme over to the government, which can aid whichever institutions it chooses. He added that the Agency and WZO will establish their own criteria for subsidizing Israel programmes for Diaspora youth.

THE POSITION of WZO/Agency treasurer confers considerable discretionary powers on its incumbent. While no one accuses Lewinsky of using this power for personal financial gain, most observers agree that it has helped him amass considerable political clout, giving him a clear-cut advantage over his rivals for the Labour Party's nomination for the post of chairman.

His detractors point to his weaknesses in management and decision-making. They say that he has difficulty formulating and sticking to clear-cut policies, and wavers under pressure from various sides until he is finally forced into doing something.

His critics would give the credit for improvements in Agency finances to top-notch staff brought in by Lewinsky, notably his former director-general Shimon Ravid.

During the 1980s, the Diaspora fund-raisers sought to deepen their involvement in supervising Agency finances and in setting budgetary priorities. But working with Lewinsky on these matters was, for some of them, a source of great frustration. Understandings reached in Israel had a way of evaporating once the fundraisers got on the plane and headed for home. Requests for information in advance of crucial meetings were often ignored, or filled only at the last minute, leaving no time to study the material.

Lewinsky's supporters portray him as an idealist who has been misunderstood. He understands and cares deeply about the Jewish world, they say, and works very hard on its behalf, but simply doesn't know how to "sell himself."

Pressed further, however, they will say: "Akiva is the best the Labour Party could come up with. He's all we've got." □

Judy Siegel-Itzkovich reports on the work being done at the Moshe Sharett Institute in Jerusalem

Israel in front rank of cancer war

AFTER years of reading in the press about so-called breakthroughs in cancer research, the breakthrough—a vaccine that prevents cancer—is not yet on the horizon. Despite the dogged refusal of the dreaded disease to be vanquished, oncologists remain hopeful that until that breakthrough is achieved, major advances in research will continue to extend and improve the lives of cancer patients.

"I'm optimistic," declares Prof. Shoshana Biran, director of the Moshe Sharett Institute of Oncology at Jerusalem's Hadassah University Hospital. "There is now a 50 per cent cure rate of cancer. 'Cure,' when it refers to cancer, means to remain free of the disease for five years after it is first treated. In almost all types of cancer (except breast cancer, for example) if you've survived that period without a recurrence, the chances of its returning are virtually nil."

No one country nor period of time in the past four decades has been responsible for the major advances in cancer research and treatment, she says. In medicine in general, the main breakthroughs have been anesthesia, the development of vac-

cines and antibiotics, and organ transplants.

But in cancer, oncologists have had to be satisfied with chemotherapy, better diagnostic techniques and the development of sophisticated hardware, like the \$1m. linear accelerator that improves radiation concentration and causes less damage to healthy tissues. The multi-million-dollar nuclear magnetic resonator, which is being installed at Hadassah and has the ability to pick out tiny tumours without using X-rays, is viewed as a "fantastic diagnostic tool" of the future but, says Biran, "we don't yet even know how to decipher its results for all the body organs."

STILL, CANCER is less of a "dirty word" than it was several years ago. Awareness of the disease is much more widespread, says Biran, and as a result, patients receive hospital treatment earlier than they once did.

Biran was "quite surprised" by

the highly intelligent and sensitive questions posed by members of the public to a team of doctors at Hadassah earlier this week, at an event to mark the 10th anniversary of the Sharett Institute. Hundreds of people of all ages and backgrounds packed the hall, and they showed considerable knowledge. "The number of queries about ethical issues—when and how much to tell the cancer patient about his condition—was not expected."

She could also tell from the questions that the audience was clearly divided between the healthy and the stricken. The healthy asked questions about prevention, while those who were probably cancer patients or relatives of patients asked specifically about treatments, she told *The Jerusalem Post*.

The institute, named in memory of the premier and foreign minister Sharett who died of cancer, has gained an international reputation for its advances in research and treatment of the disease in all its forms. It accepts about 1,500 new patients a year and has a list of about 10,000 patients. About 200 to 250 visit the institute each day.

Asked which research and treatment techniques have been developed exclusively at Hadassah, Biran lists several. One is the field of liposomes, or fatty substances, to which chemicals are easily attached and which deliver the chemicals directly to the tumour.

A second, extremely exciting, field is being investigated by Prof. Yisrael Vlodavsky and his colleagues, to understand how cancer cells that metastasize (spread to other organs) manage to enter and exit the walls of the blood vessels with no interference. The Hadassah researchers have found that a special enzyme released by the cancerous cells allows this free movement. They are trying to develop a substance that will inhibit this enzyme and thus possibly prevent the tumour from spreading.

The institute is conducting clinical research into interferon and its effect on cancer.

It is also conducting trials using Interleukin, a substance developed by Prof. Stephen Rosenberg of the U.S., who is trying to arouse the body's immunology system to fight invading cancer cells. Biran stresses that the criteria for participating in such research as a patient are "very, very strict" according to the specific condition of the patient; the cost per patient runs into tens of thousands of dollars (Hadassah doesn't pay for the Interleukin, but its supply is very limited.)

Staffed by 20 physicians, 21 researchers, and dozens of technicians, nurses, social workers, psychologists and nutritionists, the



Professor Biran. (Avi Hayon)

institute has developed a test to determine a patient's sensitivity to chemotherapy drugs.

Biran notes that as many as 500,000 drugs have been tested all over the world, but of these only 50 have shown to be effective in the battle against cancer. The unique Hadassah test allows cells from the patient to be cultured in the laboratory in order to find which of the 50 chemotherapy drugs are most effective for that particular case.

Another development is the establishment of a centre dedicated to the treatment of cancer in adolescents. It is the first of its kind in this country and one of only six in the world. The Adolescent Cancer Cen-

tre will open soon and be headed by Dr. Nili Ramu. It is being established with a gift of \$100,000 from Drs. Larry and Anna Gould of Boca Raton, Florida, who set up the Camp Sunshine programme for youngsters with cancer at Lake Sebago, Maine.

Developing cancer during adolescence can be even more devastating than in adults. The physical and emotional impact of the disease at this age is regarded as a difficult challenge for patient, doctor and family. About half of adolescent cancer is cured, but treatment can often trigger emotional and physical trauma. More aggressive treatment that can cure rather than just treat can also increase the risk of heart problems, sterility or even secondary malignancy.

The new centre will include outpatient clinics and chemotherapy units for teenagers as well as inpatient wards for those youngsters requiring longer hospital stays.

BIRAN BEMOANS the fact that "research is the first to suffer when there are budget cuts," and that even cancer research regularly has to beg for funds. Although Aids has become the "fashionable disease" among scientific researchers in the past few years, she does not attribute a decline in cancer research funds to the transfer of money to Aids research.

Israel is one of the few countries

in the world whose national cancer society has to finance not only research and educational work, but also provide a large portion of the funds for diagnostic and treatment equipment. The Israel Cancer Society, which bought Hadassah's linear accelerator and funds some of its research, is holding its annual Knock on the Door campaign on Tuesday, November 10. Some 40,000 volunteers will go from house to house, aiming to raise NIS 4m.

But this is a relatively small sum when it comes to the financial needs of cancer treatment and research and the association is worried about maintaining the same diagnostic and research level as in previous years, despite the severe budget cuts.

Biran is concerned that this week's stock market collapses will force further cutbacks in scientific research funding, specifically in the field of cancer.

HOW DOES one go about avoiding cancer? Biran herself, of course, does not smoke, and she is careful about exposing her skin to the sun. She says that inhaling exhaust fumes is, of course, "not good for you." But she will not state as a fact that cancers are caused by artificial food colourings or that people who get cancer are tense and unhappy personalities.

"The medical ecologists claim that half of all cases of cancer are due to environmental causes. I don't know. Obviously, it is wise to keep away from things that are believed to be dangerous. But no one has been able to establish a firm link between diet, for example, and cancer."

As for the personal effects of treating cancer patients, Biran does not complain about the long hours and the pain of losing some of them to the disease. Improving the quality of life of many terminal patients and extending the lives of others, plus curing half of those stricken by the disease, is very satisfying, she says.

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Charles Hoffman reports on a meeting held in Jerusalem to discuss how to reverse the demographic trend

Jewry's shrinking population

ONE OF the main messages from the Conference on the Demography of the Jewish People, held this week in Jerusalem, was that Jews everywhere have to face the facts of life: the Jewish people has entered a period of population decline that may accelerate in the years ahead.

Facing facts is one thing, but deciding what they mean and what to do about them is quite another. Perhaps the only fact that most participants could agree on was that the Diaspora Jewry is shrinking, while the Jews of Israel are still holding their own.

This can be seen by looking at what demographers call the "replacement rate." Are enough babies being born to make up for decreases through deaths? Studies have shown that the Jewish birth rate in the Diaspora is below the replacement rate of 2.1 children per mother. In Israel, however, the birth rate for Jewish women is well above replacement level.

Projections by Hebrew University demographers show that if these and other present trends continue, the world Jewish population level of 12.8 million will start declining. Diaspora Jewry, which in 1985 was estimated at 9.3 million, could drop to below 8 million by the end of the century, and decline even more rapidly after. Even if the natural increase in Israel remains as it is now, this would not be enough to offset losses in the Diaspora.

The low birth rates are the result of life-styles that stress late marriage, small families, hedonistic values, and the right of both parents to pursue careers — not to mention "alternative" life-styles such as homosexuality and couples living together without marriage.

THE CONFERENCE participants included over 200 scholars, community leaders, educators, rabbis and others from 20 countries. The conference was sponsored by the World Zionist Organization, Jewish Agency, World Jewish Congress, Institute for Contemporary Jewry of the Hebrew University and the Demographic Centre of the Israeli government.

While demographic studies are usually based on "hard data" relating to births, deaths and migration, anyone who wants to understand where the Jewish people is headed has

to take account of the slippery factor known as assimilation.

Virtually no one disputes the effects of assimilation, but few people have a clear notion of what this term means. Does it refer only to Jews who have ceased to identify as Jews. If so, then how does one count them? Or does the term also refer to, say, Jews who are less observant than their grandparents?

Scholars have no standard definition of assimilation, nor do they use any precise index of assimilation in their studies. Thus some eyebrows were raised this week when the Hebrew University demographers explained that their Jewish population forecasts are based in part on estimating — guessing would be a better word — just how many Jews will be lost through "assimilation" in, for example, the year 2000.

These issues are not only of academic interest. They have important social and ideological implications as well.

For example, should a Jew who marries a non-Jew be considered "assimilated," and thus written off the demographic charts? And

fade out of Jewish community and family life. Nowadays, with a greater acceptance of intermarriage, mixed couples are part of the Jewish social scene, although they tend to take less of an active part in Jewish organizational life than all-Jewish couples.

Another aspect of the intermarriage picture is conversion. Today about 20 per cent of newly married mixed couples contain a convert to Judaism. In the early 1970s the conversion rate was higher, due mainly to more family pressure and to the greater resistance of rabbis to marrying mixed couples. One reliable estimate for the U.S. puts the number of converts in the past decade at about 100,000 — the vast majority of them converted by Reform or Conservative rabbis.

It has been estimated that in the not-too-distant future, practically all American Jews will have relatives who are "Jews by choice," as converts are called these days, or non-Jews. Furthermore, by the year 2000 about one million American Jewish children will have some non-Jewish grandparents.

Some sociologists have asserted that inter-

'The low birth rates are the result of life-styles that stress late marriage, small families, hedonistic values'

what about the children of these marriages? Even the briefest glance at the Diaspora will show that these are not idle questions.

In the U.S., where just under half of world Jewry is concentrated, the average intermarriage rate for individuals has been growing steadily since the mid-1960s, and now stands at between 25 and 30 per cent; i.e., of every 100 Jews who marry, between 25 and 30 marry out.

When one looks at the intermarriage rate for couples the picture is even more startling. If these hypothetical 100 Jews married each other, they would form 50 couples. But if we say, for convenience's sake, that 30 of them marry non-Jews, then there would be 30 mixed couples and 35 all-Jewish couples. This gives a couple intermarriage rate of about 45 per cent.

In the not too recent past, when intermarriage carried a stigma, couples would usually

marriage may, under certain conditions, lead to a net increase in the number of children being raised as Jews. They reach this optimistic conclusion by the fact that many mixed couples say that they are raising their children as Jews, and by the fact that "conversionary couples" tend to have fairly high rates of Jewish observance and affiliation.

This conclusion has been heatedly disputed by others, however, who point to evidence that actual Jewish identification and observance by mixed (i.e., non-conversionary) couples is weak to non-existent. Even if the parents of these children say they are raising them as Jews, the chances are that most of the children will also intermarry and eventually fade away from the Jewish community.

Intermarriage rates for other large Jewish communities in Europe and South America are at least as high as those in the U.S., and in some places higher. In the Paris area, for

example, the intermarriage rate is around 50 per cent, and most mixed couples are not raising their children as Jews, if only judging by the fact that most boys born to these couples are not circumcised.

IN SOME CASES, it may be easier for Jewish leaders to face the demographic facts of life, than the policy implications of these facts.

Take the implications of intermarriage. In virtually all Diaspora communities, the intermarried and their children will form an increasing portion of those somehow connected to Jewish family and community life.

What, if anything, should be done to bring these people closer to Jewish life? Should conversion be the ultimate aim of these efforts? Studies have shown that mixed couples often respond positively to overtures from communal institutions and the families of the Jewish partner — if they are presented in a sensitive manner.

It is generally agreed that there is little outreach work being done with the intermarried, and what exists usually comes from Reform and Conservative rabbis. This has far-reaching implications when one considers that these conversions are not recognized by Orthodox, in Israel or abroad.

In countries such as France, however, where religious life is dominated by the Orthodox, intermarried couples are not considered part of the community, and no outreach work is being done, even by secular Jewish bodies.

The Brussels secular community centre, however, runs outreach programmes. A Belgian Jewish leader said that many Jews may be lost in the future not because of intermarriage itself, but because the Orthodox have refused to have anything to do with these mixed couples and their children.

The policy implications of low Jewish birth rates are also puzzling. Most scholars and professionals feel that little can be done to induce people to have more children. What can be done, they say, is to strengthen Jewish education and to provide more opportunities for Jewish young people who want to have families to meet each other and get married. More can also be done by the community to make it easier for two-career couples to balance the demands of work and family life.

What is expected to emerge from this conference? Many of the organizers and participants want to keep the demographic issue on the agenda of Jewish organizations, and to conduct a world Jewish population survey in 1990.

There is also a proposal to set up a world foundation to promote Jewish population policies, which may fund further research on these problems, in addition to programmes for strengthening the Jewish family.

Israel can only benefit from the likely appointment of a new chief of Unesco, writes Menachem Shalev



Amadou Mahtar M'Bow...going out. (AFP) Spain's Federico Mayor...choice. (AFP)

The 'new order' comes to an end

IN TWO WEEKS, delegates to the general conference of the UN Educational, Scientific and Cultural Organization will choose a new director-general. The event is being widely heralded as a watershed for Unesco, and western delegates hope that the departure of the outgoing director-general, Amadou Mahtar M'Bow, will mark the end of the organization's 13-year slide into moral and fiscal bankruptcy.

M'Bow, a Senegalese, is widely accused of fiscal mismanagement and cronyism. His exit from office, despite the support he enjoys from the Arab-African bloc, was made possible after the Soviets recently concluded that his virulent anti-western stance has outlived its usefulness.

M'Bow's Third World orientation and his flirtation with totalitarian ideologies are credited with having driven the U.S., in 1984, and Britain and Singapore, in 1985, out of Unesco. The U.S. and Britain contributed over 30 per cent of Unesco's budget. Coupled with M'Bow's financial ineptitude, the loss of revenues has nearly crippled the organization.

The 51-member executive board of Unesco last week elected Spanish bio-chemist Federico Mayor to replace M'Bow, but his election by the 158-member general council is far from certain. The Arab-African group at Unesco has pledged to block the election of the "man who ousted M'Bow" and a compromise candidate might be sought.

One of those mentioned as this candidate is Uruguayan Foreign Minister Enrique Iglesias. The Latin American countries' hopes for his election are thought to be behind their absence from the vote on the executive board's motion to condemn Israel's policies in Jerusalem, Colombia, Argentina, Guyana, Venezuela and Trinidad-Tobago stayed away from the vote, hoping to stay on good terms with everybody.

The Arab countries choose the mode of their public relations attacks on Israel in accordance with each international organization's own characteristics. Unesco's bi-annual motion to condemn excavations and urban development in Jerusalem — as well as the state of higher education in the West Bank — has become something of a ritual. In recent years, the language of the condemnation on Jerusalem has had to be toned down in light of the almost superlative report on the excavations submitted by Unesco's experts.

Israel annually forks out \$401,000 in membership dues to Unesco and is habitually rewarded by ringing condemnations of its "repressive" policies. Arguably, some of Israel's money is even utilized for so-called worthwhile projects, such as encouragement of "national liberation movements" — including the PLO — and scholarships for PLO-sponsored students.

The beginning of M'Bow's term at Unesco coincided with Israel's worst years there, 1974-1976. Unesco then decided to cut off aid and not allow Israel to join a regional group, the organization's operative bodies. On the other hand, Israel enjoyed "golden years" in Unesco in the two years prior to the Americans' departure, when the organization was frantically attempting to change the Reagan administration's mind about withdrawal.

UNESCO'S troubles with the U.S. began because of the 1974 decision against Israel. Unesco's participation in the then-blossoming drive to delegitimize Israel resulted in a U.S. decision to withhold funds from the organization.

By the time Unesco relented and allowed Israel to join the European region, the U.S. was even more chagrined by the Soviet-sponsored drive to set up a "new world information and communication order." Masked as an effort to free the developing countries from the monopoly of a handful of western news agencies, the "new order" was clearly a euphemism for allowing tyrannical governments to obstruct the free flow of information.

Although the final version of the "new order" was amended under western pressure, the U.S. became convinced that, like the International Labour Organization before it, Unesco could not be reformed from within and that only total withdrawal and the withholding of ample budgets could convince it to change its inherently anti-western stand. Three years after they withdrew, the Americans seem to have made their point.

Israel never contemplated joining the U.S. move. Unlike the U.S., which has been courted to reverse its decision, officials in Jerusalem were convinced that once Israel leaves, it will never be allowed to return.

Yael Vared, a former Foreign Ministry assistant director-general and Israeli representative to Unesco, thinks that participation in the organization is worthwhile.

Vared says that membership in Unesco allows Israel to participate in important international projects. She points to Unesco's plans and working groups on oceanography, geology, hydrology and environment as examples. Israel is also represented on the professional boards dealing with copyrights and patents. In these projects, she says, there is hardly any discrimination against Israel, and local scientists sometimes head the various workshops of the project.

Sinai Rome, head of the Foreign Ministry department which deals with Unesco, points to the more traditional rationale for Israel's participation in hostile international bodies. "It's important that we keep waving the flag," he says.

Faced with an automatic vote against it, Israel has in recent years adopted a low profile in its dealings with Unesco. Observers maintain that Israel's relationship toward the organization is even tinged with "emotional" considerations, considering its own self-image as an "educational, scientific and cultural" centre.

Vared says that Israel had an up-and-down relationship with M'Bow. Although he was heavily influenced by Third World and Communist ideologies as well as by the anti-Israeli Arab bloc, he was also well aware of the need to keep the western countries happy and was thus, on occasion, surprisingly open to Israel's needs.

The U.S. is not expected to automatically join the organization once a new director-general is voted into office. Insiders say that it will first demand wide-ranging reforms in the organization's activities and assurances that the anti-western bloc will not abuse its majority.

Israel can only benefit from such a development.



Learning Hebrew.

Mexico's 'Marranos': The troubled path to Judaism

IT WOULD be nice to be able to say that Abraham Perez remembers his grandmother lighting candles on Friday night in their home in Vera Cruz, Mexico, but he is an honest young man and readily admits that although his family know that their forebears came from Spain, they have no traditions of Jewish ancestry.

Perez, 24, a yeshiva student in

Haim Shapiro

Jerusalem's Old City, went to Ben-Gurion Airport this week to meet his mother and two of his 10 brothers and sisters. Five other members of the family already live in settlements over the Green Line.

The Perez family belong to a

group of over a hundred Mexicans who have either become Jews or are in the process of doing so, with the help of Rabbi Eliahu Avichail, whose organization, Amishav, is devoted to bringing the lost tribes back to Judaism. Many of the Mexican would-be converts have a tradition of Marrano ancestry, he told *The Jerusalem Post* this week.

FOR AVRAHAM Perez the story was a little different. When he was seven, his father, an engineer, decided that Catholicism was mistaken. The elder Perez began to observe Shabbat and a form of kashrut.

One brother, Yehuda, now 22, went to New York where he converted to Judaism and became close to the Gur Hassidim. Working in a kosher Chinese restaurant in Boro Park and living in a free hostel for young Jewish immigrants, Yehuda devotes all his earnings to sending the rest of the family to Israel.

But while the rest of the family, with the exception of two older daughters who were already married, eventually decided that they must become Jews, the father has never given up his faith in Jesus and the validity of the New Testament.

"I tried to explain to him that it was not right, but he didn't want to understand," Avraham remarked good-naturedly. He added that despite the differences in belief, there is no antagonism within the family. His parents, he said, had no inten-

Rabbi Eliahu Avichail, right, with Ascher Vargas, alongside, head of the Vera Cruz community.

tion of getting a divorce. "I'm sure that once mother is in Israel, father will want to be with her."

Avichail, who considers himself responsible for the spiritual welfare of the converts, shook his head. "You know that that could create problems," he said. Avraham nodded, still smiling. If there are problems, he seemed to feel that they would somehow be solved.

Asked how his family and others came to Judaism, Perez noted that six separate communities in Vera Cruz have taken on some form of Jewish observance, although his is the only one that has actually sought conversion. There were also Jews and would-be Jews in isolated villages, simple peasants drawn to Judaism.

Avichail explained that the Vera Cruz community was the largest in the Mexican countryside. In many of the families in this and the other communities, it was a tradition to light Friday night candles, or salt and rinse meat, even though it had been bought at the local market.

"The situation is far from static," he said, "these groups are growing all the time."

Avichail has visited Mexico twice, in 1985 to investigate reports of Jewish communities and in 1987 to help them convert to Judaism. So far, most of the members of these

groups have only been able to convert in Israel, because of the unwillingness of local rabbis to perform conversions.

The reticence on the part of local Jews has two sources, according to Avichail. The local rabbis fear that the conversions will lead to intermarriage. The established Jewish communities, on the other hand, are unwilling to be identified with the Judaizers, many of whom come from the lowest social classes.

Meanwhile, synagogues exist in several towns and villages. In some cases, communities or individuals have been converted by non-Orthodox rabbis. Sometimes, Avichail said, these same people seek reconversion by Orthodox rabbis.

For the first time, he added, the Israeli Chief Rabbinate is taking a sympathetic view to efforts to convert these people in Mexico. A leading rabbinical court judge who speaks Spanish is willing to go there to carry out the conversions.

But not all the communities are suitable for conversion, according to Avichail. There is at least one group which has considered itself Jewish for 40 years, but which has become lax in its observance.

"They became secular before they even became Jews," he said. "I won't have anything to do with them."

WHY THE BUBBLE BURST

(Continued from page 5)

trous as a chain reaction led the world economy into its worst slump ever.

IN LATE SUMMER of 1983, the Israeli government and the Bank of Israel took a similar position. They refused commercial banks' requests to inject them with enough liquidity to purchase their shares. This was, then, a case of the "cold-turkey" approach.

For years, the Bank of Israel had granted the banks liquidity which enabled them to inflate the value of their shares. But when the real crisis struck, the central bank simply refused to act as a "lender of last resort." Later, on October 6, 1983, the Treasury was forced to act. To prevent a complete breakdown, it took upon itself the responsibility of commercial banks' commitments to holders of their shares.

When speculation takes place, as sets are not bought for their prospective long-term yields, but on the basis of a very short-term gain. Optimism, or "bullish" sentiments,

prevail. Individuals and institutions borrow to buy the object of speculation — whether real estate, bonds or shares. At its climax, speculation erupts into a "bubble" and stories of fortunes-made-overnight spread.

Speculation can be limited to one asset or commodity. But many times, it spreads to the whole market. When this happens, borrowing in order to buy becomes widespread. The demand for credit creates a supply of lenders. New financial instruments are created. Institutions specializing in lending to individuals or institutions are created and they, too, start borrowing as a way of ensuring resources to extend their business.

Soon a chain of debt emerges. The assets held by one individual or institution represent liabilities or commitments to others. Shares, IOUs, bonds and other debt instruments in the hands of these institutions are used as collateral for new

borrowing.

As long as confidence prevails, as long as there is a stream of profit and income which enables firms and individuals to repay their debts on time, and as long as the government keeps printing money or the banks grant credit, everything goes smoothly. The problem arises when a sentiment of uneasiness begins to creep in. With growing awareness of an increasingly shaky financial system, the money markets become "tight." Interest rates start rising rapidly. There is more borrowing to return old debts.

IN SUCH A situation, a small spark is needed to light a big fire. Often this is associated with a fear of capital flight connected to a balance-of-payment deficits. When deficits accumulate, there is a fear that the central banks will raise interest rates to prevent gold or currency from leaving the country.

This, in fact, is what happened in England in 1847: People borrowed to invest in railway shares. When the country was hit with a bad harvest and there was need to import wheat from abroad, the gold reserves in the Bank of England went down, and the fear of an interest rate increase led investors to panic.

Fear of an interest rate rise has been very evident on Wall Street in the last few days. When the panic starts, the chain of debts tumbles. There is a rush for cash. Bankers and creditors start calling back their investments and demanding payment. Bankruptcies follow. In 1929, American bankers panicked. The entire credit structure crashed as they tried to recall their loans to Germany and other European countries. Credit was reduced to a minimum. Financing of investment and trade went down. The Depression settled in.

When a central bank injects li-

quidity into the system, it prevents such a crash of confidence and precludes the chain reaction. That is what the Fed's Greenspan promised to do: He said the Fed would fulfill its role as a lender of last resort.

This may prevent the expansion of the current crisis. But there is a second side to the coin. A crash such as the one in 1929 erases, in a violent and immediate way, the debt chain. The mountain of paper wealth and paper debts loses in a moment all value. The economy is ready, after a stagnation period, for a fresh start.

When a crisis is averted, the "therapeutic" effects of a crash are also prevented from occurring. This may mean that next time, it will be much more difficult to prevent a serious crisis.

For the moment, the financial centres of the world have apparently capped the storm. Economists who are busy with equations and abstract theories will celebrate. Those who have a small knowledge of history still have plenty of reason for concern.

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U.S. Gulf strategy: How Israel could be affected

WHILE ISRAEL and the Persian Gulf are both geographically situated in the Middle East region, the Iranian missile attack against an American-flagged Kuwaiti tanker last Friday and the subsequent U.S. retaliatory operation against two Iranian offshore oil platforms on Monday, from the Israeli view, might as well have happened in the South China Sea.

Events in the Persian Gulf seem very remote from Jerusalem; their implications for Israeli security interests don't seem readily apparent to many political analysts here. Yet America's commitment to reflag and protect Kuwait's small tanker fleet, as well as the increasing number of incidents between U.S. and Iranian naval forces, may in time significantly change the pattern of American military interaction with the Middle East as a whole, and eventually affect U.S.-Israeli relations as well.

When the administration first considered Kuwait's highly unusual request to place six of its 11 tankers under the American flag last January, the U.S. Department of Defense did not view the undertaking as constituting an exceptional change in American security policy in the Gulf. After all, since 1949 the U.S. has deployed a small symbolic advanced naval group in the Gulf known as the U.S. Middle East Force — codenamed Mideastfor — that after 1980 consisted of roughly four destroyers and a command flagship (the USS Lasalle) based at Bahrain.

During 1986, as the Iranian Navy began to stop and search the commercial ships of all nations serving Gulf Arab ports, Mideastfor began, on a regular basis, to convoy U.S. flag ships in the Gulf. Thus the addition of the Kuwaiti tankers did not introduce a new mission for the U.S. Navy: it only enlarged an operation already in progress.

In a statement before Congress in June, Secretary Weinberger explained that this additional undertaking in fact would only require the U.S. to augment Mideastfor with three additional combat ships. In fact today, it consists of only 10 ships. Most of the unprecedented American naval build-up in the area involves two American carrier battle groups centered on the USS Constellation and the USS Ranger, and a battleship battle group in the Arabian Sea beyond the Straits of Hormuz (and beyond the range of Iranian anti-ship missiles).

INITIALLY, the U.S. commitment to Kuwait did not seem to represent a change in U.S.-Gulf Arab security relations. Kuwait, it is to be remembered, attempted to involve both the U.S. and the USSR in the reflagging operation so as to avoid introducing superpower rivalry in the Gulf itself. Here, Kuwait was acting in a manner consistent with the policy of the Saudi-led Gulf Cooperation Council (GCC) — which since its creation in 1981 has sought, among other things, to prevent the development of exclusive security connections between the Gulf states and a single superpower.

That the U.S. undertook to reflag all 11 Kuwaiti tankers — leaving the Soviets to lease three Russian tankers to Kuwait — enlarged in the end the relative American role in the operation and precluded a significantly new expansion of Soviet influence in the conservative GCC states.

The Kuwaiti reflagging scheme did not vary with GCC policy in another significant way. Since the days in 1980 when former secretary of state Alexander Haig sought American military facilities in the Gulf, the Gulf states have resisted turning themselves into bases for

American Rapid Deployment Forces in the region. Only isolated Oman has a "facilities access agreement" with Washington that gives U.S. forces use of Omani air bases on a case-to-case basis.

Under the pressure of the tanker war, since 1984 the GCC states have recognized that they cannot alone take responsibility for the security of the Gulf. The "King Fahd Line" of that same year established their security responsibilities in their own sovereign territories and in their territorial waters. Beyond the territorial waters of the Gulf states, the GCC even then recognized that the international community had a role to play in the security of the Gulf. The planned American convoy of Kuwaiti ships in international waters thus was not at variance with GCC policy.

The unexpected development that may change the magnitude of American involvement in the region has been the audacity of the Iranians in the Gulf. While the mining operations of midsummer, with their semi-anonymity, might appear to be an appropriate countermeasure for Iran against a powerful high-

certain degree of scepticism arose in Washington over Carter's declaratory commitments in 1980 to defend the Persian Gulf in the aftermath of the Soviet invasion of Afghanistan. As the predicted Soviet onslaught from Afghanistan into Iran never took place, and the price of oil fell during the rest of the 1980s, the strategic imperatives of the U.S. in this region were called into question.

The creation of the Rapid Deployment Force (RDF) — later converted into the U.S. Central Command (Centcom) — appeared to many budget-conscious analysts to have been a mistake. While Centcom today may not be stopping Russian tanks in the Zagros mountains of Iran, by virtue of its command over the entire naval task force in and around the Gulf, it is showing its importance in defending American interests against other threats as well.

Israel, while not formally within the jurisdiction of Centcom — Israel lies in the area of responsibility of the U.S. European Command — nonetheless came to be viewed as a strategic asset of the U.S., by virtue of the

limitation might have been one factor affecting the Navy's preference for shelling the Iranian platform from the sea rather than bombing it from the air.

But as Iranian provocations continue, especially if they are directed at GCC ports and not directly at the American convoy itself, Gulf Arab distaste for the basing of U.S. combat forces on Arab territory might easily change. Especially as any future escalation will demand greater use of U.S. naval airpower, in which case the need for basing American aircraft on these territories will only increase. As previous taboos in U.S.-Gulf Arab security relations are removed, the American position in these countries should grow stronger.

SHOULD ISRAEL be concerned with the prospects of deepening U.S.-Gulf Arab strategic ties?

In a particularly vicious anti-Israel column this past month, Evans and Novak conjectured in *The Washington Post* that Israel has an interest even to this day in continued arms sales to Iran, in order to foil the emerging U.S.-Gulf Arab strategic coalition. Yet they miss one of the most significant elements appearing in this growing relationship that, rather than hurting Israel, actually serves its interests.

In the past, Arab states have conditioned their participation in any American "strategic consensus" on changes in the U.S.-Israel relationship. Generally, they have held out the prospect of closer U.S.-Arab security ties after a solution of the Palestinian problem. This precondition has been one of several motivating factors behind U.S. diplomatic pressures on Israel.

The very pressing Iranian threat has removed such preconditions from U.S.-Gulf Arab security relations. For those who prefer a peace process governed by chiefly regional motivations rather than external brandishments, this development should be more welcomed than related to with concern.

That U.S. relations with the Arab states and Israel cease being viewed in zero-sum terms (the friendlier you become with one, the more you alienate the other) should in fact become a goal of Israeli policy. It is here argued that this may become an increasing by-product of an extended American mission in the Gulf.

The most important possible development for Israeli security interests resulting from continuing escalation between Iran and the U.S. in the Gulf is, however, also the least likely: that asserted American military power will place pressure on Iran to accept a ceasefire in the Iraq-Iran war, either directly, as a result of American attacks, or indirectly, by the effect of American pressures — against oil or military facilities — on the Iraq-Iran military balance. Iran has already demonstrated its ability to withstand Iraq's overwhelming superiority in airpower; it is doubtful that additional U.S. force might change things significantly.

The U.S., it must be remembered, will be operating under conditions of "limited war." Unbridled use of American power can threaten to bring about increasing Soviet influence in Iran, and even possible intervention in its northern provinces. In fact, the dangers of U.S.-Soviet escalation in an area contiguous with the USSR far exceed whatever dangers existed in more distant Southeast Asia two decades ago. Thus, powerful global constraints will limit America's escalatory options.

Dr. Gold is director of the U.S. Foreign and Defense Policy Project at the Jaffee Center for Strategic Studies, Tel Aviv University.

Dore Gold discusses the implications of the American-Iranian confrontation

technology navy with vastly superior fire power, the blatant repeated firings of Silkworm missiles against Kuwait in September, leading up to last week's hit on an American-flagged vessel, indicate that the Iranians do not fully appreciate the American readiness to use military force.

It could very well be that the Iranians judge that in time, as the American presence becomes more controversial within the U.S. itself, a successful strike against an American target will lead to an American pullout similar to the withdrawal of the Marines from Lebanon in late 1983. Whatever Iran's motivations, Tehran does not appear to be exercising the same degree of caution as Washington in the Gulf. The chances for further Iranian-American incidents — of ever-increasing magnitude — cannot be ruled out.

FOR ISRAEL, two developments from the deepening American involvement in the Gulf should be of interest.

First, the increased American naval presence — both within the Gulf and outside it — is likely to be long-term. It will be difficult, if not impossible, for the U.S. to deliver a decisive blow to Iran, similar to the April 1986 attack on Libya, that will allow the American fleet to disengage and return to its previous routine. An extended naval involvement in the Gulf region means that the Middle East will continue to be a strategic zone high on the list of priorities of American planners.

It is to be noted that in recent years, a

growing American military interest in the Middle East since 1980. The current operations in the Gulf should assure that the Middle East remains a strategic focal point and will not be entirely overshadowed by American military interests in NATO-Europe or the Far East, as was the case for most of the postwar period prior to 1980.

A SECOND development of interest to Israel could be the deepening U.S.-Gulf Arab strategic cooperation. Since the beginning of the tanker war in 1984, and especially since the start of the reflagging and convoy operations this year, the U.S. has pressed the GCC states to provide increased use of their military facilities for U.S. forces.

As of this writing, only non-combatant U.S. aircraft have used Saudi and Omani airfields — i.e., Gulf Arab radar aircraft, U.S. Navy P-3 maritime surveillance planes, U.S. aerial tankers.

GCC resistance to permitting U.S. combat aircraft on Gulf Arab territories complicates the American military mission — U.S. Sea Stallion mine-hunting helicopters must be based at sea on the USS Guadalcanal; U.S. carrier-based aircraft outside of the Straits of Hormuz cannot be easily utilized against targets, especially in the upper Gulf — whence the Iranian Silkworms were fired — without aerial refuelling or local landing rights.

The U.S. Navy will not expose one of its multi-billion dollar carriers to Iranian missile fire by moving it into the Gulf. This latter

Hirsh Goodman on the attitude of the Soviets to the Mid-East peace process

U.S. SECRETARY of State George Shultz has been to and left this region. His visit has been superseded, both in terms of policy priorities and of press attention, by the international financial crisis and events in the Gulf. Even while discussing the peace process here, the secretary's attention was diverted elsewhere. Last Saturday, instead of playing a planned round of golf at Caesarea, he flew off to Saudi Arabia to coordinate positions with Gulf states in preparation for America's retaliatory attack against an Iranian oil installation two days later.

If one were to attempt to assess the results of the visit from the overt manifestations, one would conclude that nothing has changed. Prime Minister Shamir seems to have been more ready to make concessions than some had expected, though he would not give an inch on the idea of an international conference as a forum for peacemaking. However, he did not rule out a Soviet role as a co-sponsor of direct negotiations be-

tween the parties, and appeared to encourage a wider role for Jordan than he had previously indicated in his contacts with the Americans.

But Shamir, while changing his position on the tactics for entering a peace process, has not changed his basic position that territorial compromise cannot be the end result of that process. Rather, he will only countenance functional autonomy for the inhabitants of the territories, leading ultimately to some redefinition of the current status of those territories as stipulated in the Camp David accords.

We shall have to wait and see

what these nuances in Shamir's stance will eventually lead to, or whether Shultz will be successful in arranging a Hussein-Shamir meeting that could help untie the knot that is strangling the peace process.

We shall also not know until after Shultz meets his Soviet counterpart this week whether Shamir's changed attitudes on the Soviet issue are picked up, or whether the Soviets, like the Americans, may be coming rapidly to the conclusion that they are not going to get involved in a process that has little chance of achieving anything at this stage.

After all, from the Soviet perspective, the Gulf is burning, not the Israel-Palestinian-Jordanian triangle, so why stir up a hornet's nest? Afghanistan, ending the Iraq-Iran war, negotiating force reductions in Europe and improving relations with the West and the West's allies in general, are all much higher priorities than the relatively parochial Arab-Israel conflict.

ENTERING THE peace process, in current conditions, would place the Soviets in a potentially confrontational position vis-a-vis the Americans, given that they are going to have to cater to the wishes of their obstinate Arab clients, like Syria and Libya, and to Yasser Arafat's PLO, which will under no circumstances be party to any negotiations that include Israel. Moreover, this could jeopardize some of the inroads made of late by the Soviets

into traditionally pro-Western Arab countries, such as Egypt, Jordan and Kuwait, which to all intents and purposes would be on the other side of the negotiating table from the Soviets in any peace-conference situation.

What could they gain by joining the process? Not very much. The Palestinians right across the board — not only the radical elements of the PLO — seem to be opposed to it, as witnessed by the refusal of eight moderate, pro-Jordanian Palestinians to refuse to meet even with Shultz on the subject. Whether that was out of conviction or because of intimidation is secondary to the act conveyed to Shultz.

The Jordanians and Egyptians are uneasy about the evolving ground rules for participation, as are the Americans. By all accounts, therefore, there seems to be very little incentive at this point for the Soviets to be encouraging in terms of facilitating progress — this, notwithstanding Shamir's change in attitude as conveyed to Shultz.

WHILE THE SOVIETS would very much like to end their decade out in the cold in terms of mainstream Mideast policy, the current price of entry is too high, and the payoff for any initiative too low. Probably the only inducement for the Soviets to enter a process at this stage will be a feeling that America and Israel can move forward without them.

The key to this, of course, is King Hussein, over whom they have little influence. It is Hussein who has to agree to move ahead without Palestinian support into a negotiation that, in the ultimate analysis, will leave Israel in possession of pre-1967 Arab land.

It would, however, be a tremendous Soviet coup if, somehow, they could deliver the PLO (through a surrogate Palestinian format acceptable to Israel, the Jordanians and the U.S.) to the negotiating table. If they could deliver the Syrians as well, their success would be complete.

Unfortunately — or, fortunately, for those in Israel who would prefer to see things at a standstill rather than moving ahead with the Soviets involved — the chances of Gorbachev, despite his fancy footwork in other areas of foreign policy, being able to pull off this modern-day miracle, are slight indeed. Shamir's step forward will not move us one inch closer to a resolution of the problem, but will leave us just as far away from it as before Secretary Shultz came to visit — if not further.

The writer is The Jerusalem Post defense correspondent.

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Joshua Brilliant on indications of
a changing mood in Baghdad

A chastened Iraq has second thoughts on Israel

IN A RECENT address to the IDF Staff and Command College, Defence Minister Yitzhak Rabin said that the period in which Israel enjoyed relative calm is coming to an end. Israel cannot assume it will not be engaged in a war in the next few years. It must be prepared for "any eventuality," he told the majors and lieutenant-colonels.

Rabin did not elaborate, but a group of defence reporters caught up with him after his address. "You seemed to be ringing the war bells," one of his reporters said. "What happened?"

The Iran-Iraq War may end, the minister replied. It would not happen "next week," he added. It could be a matter of two to three years.

The Gulf war perpetuated the division in the Arab world as Syria and Libya supported Iran, while Egypt, Jordan, Saudi Arabia, Kuwait and others backed Iraq.

Thus, to quote a recent survey by the Tel Aviv University's Institute for Strategic Studies, the war weakened the Arab states' "strategic profile," rendering it "virtually impossible for them to act in concert on any issue."

The war also drained their financial resources and depleted their war chest.

The spectre of tens of thousands of Iraqis waving fists as if they were in a trance and the masses of "Revolutionary Guards" sacrificing their lives fighting secular Iraq frightened moderate Arab regimes. They must have realized that Israel is not nearly as dangerous to their survival as Iraq.

The Arab countries' preoccupation with their own troubles reduced the danger that they would gang up on Israel, and allowed Israel to cut its defence budget. The defence establishment itself was able to invest more in research, development and long-range programmes — even at the cost of reducing the number of readily-available combat aircraft and tanks.

At the moment much of the fighting resembles the World War I trench battles. "Every day they fight, Iraq uses anti-tank helicopters and reports destroying a bunker, a cannon," an Israeli source related. Other battles involve masses of infantrymen who sustain huge losses but succeed in occupying no more than 10-15 kilometres. That means there is a strategic tie.

IF THE WAR ended, Iraq could join Syria, Jordan, the PLO and a small Saudi force to face Israel.

According to the Tel Aviv University's Middle East Military Balance report, these armies last year had 1,874,000 soldiers, compared with Israel's 440,000. They had 10,425 tanks, as against Israel's 3,900. The Israeli Air Force had five high-quality interceptors — more than they have, but their combat aircraft totalled 1,383 compared with Israel's 626.

Moreover, Iraq has all the weapons the Soviet Union produces, except the unique ones. It has 400 T-72 tanks and 600 BMP-1 armoured personnel carriers, believed to be the most advanced in the world.

Its Air Force improved its offensive capability, thanks to better weapons such as the Mig-29 and the French-made air-to-ground laser-guided AS-30 missiles.

Its pilots have become audacious. Iraqi planes bombed targets near the Straits of Hormuz, though getting there and back in their Mirage F-1s required refuelling in the air.

Iraq says it has developed a missile whose range is 600 kilometres. That would put Israel within range of missiles launched from H3, which

is relatively close to its border with Jordan. It has certainly broken a taboo on chemical warfare. When Iran launched its large-scale attacks, Iraq retaliated with chemical weapons, gassing not only the first wave of attackers but also reserve forces, installations and headquarters. According to Iranian reports, Iraq also gassed Kurdish rebels in the north.

The Iraqi army presented a poor land offensive capability but a very good defensive capability, even in terrain which had not been prepared for defence. "They are capable of quickly deploying for defence, putting up fortifications and preventing a return to the status quo," an Israeli source observed.

BUT ALL THIS does not mean that once the Iraqis stop shooting Iranians, they will turn their guns on the Jews. On the contrary, there have been some indications Iraq is unlikely to take on Israel.

Barring some drastic, unforeseen development, it will have to keep a large force along its 1,000km. border with Iran. The years of enmity and fighting will dissuade Iraqi leaders from leaving the border defenceless.

Baghdad is also concerned with the price it has been paying — in blood — for the war with Iran. It is estimated that the war has claimed 95,000 Iraqi lives. Some 200,000 people have been wounded and over 500,000 taken prisoner.

The Iraqi leadership is known to consider the price to be too high. Therefore, in some cases the political echelon has even stopped the army from launching counterattacks to regain lost territory.

The economic price has also been heavy, as foreigners are employed to sustain the economy in place of the Iraqis called to the front.

Politically, the war has drawn Iraq closer to the pro-Western, moderate, Arab camp along with Egypt, which concluded peace with Israel, and Jordan, which would like to do so. (Egypt has been helping Iraq with material and military advice, though its experts have not been working at the front.) Jordan has been serving as a conduit for Iraq-desired goods — probably also military equipment.

Officially, Iraq hasn't changed its hostile stance towards Israel. Nor has it restored diplomatic relations with Egypt which it severed when Cairo signed the Camp David accords.

However, Nazir Hamdoun, Iraq's ambassador to Washington, later appointed deputy foreign minister, made conciliatory public statements. "We do not hope that there will be another Arab-Israel war," he told the *New East Report*, a publication affiliated with Aljazeera, the American-Israeli Public Affairs Committee. "I don't see the Arabs motivated by hatred," he continued. "I don't think they are in favour of throwing the Jews into the sea, as the slogans said 20 years ago... We are looking for a reasonable solution to the Palestinian question."

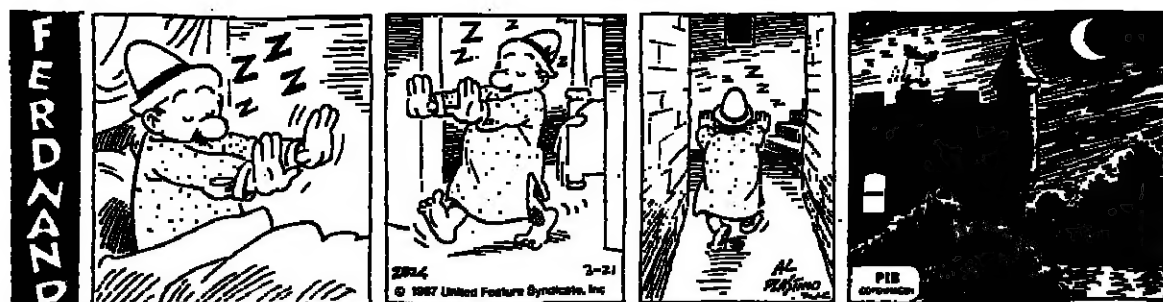
Presumably, such Iraqi moves were designed to win Jewish goodwill in the U.S. in an attempt to increase American support for Iraq.

Nevertheless, the war, fear of Iranian encroachment, the increasing American support of Iraq, Baghdad's reliance on the pro-American Egyptian-Jordanian-Saudi camp, and the hostility towards Syria, might lead to a change of attitude towards Israel, especially if Israel offered some inducements. That is an option which should be considered.

The writer is The Jerusalem Post defence reporter.

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ASUTOR, 3 lovely rooms, furnished. 02-718172, 02-715282.

RAMOT, 3 rooms, partly furnished, \$300 monthly. 02-763057.

REHAVIA FOR TOURISTS, 3, beautiful, furnished, for short periods. 02-240620.

TALBIEH, 4A, beautifully furnished, koshar, MR. T.A.C. 02-431764.

JERUSALEM

PURCHASE/SALE

OLD KATAMON, in Arab house, 4, renovated, large garden, private entrance, 220,000, Anglo-Saxon 02-221161, Maldan.

SANHEDRIA HAMURHEVER, 3 + dining, view, solar heater, lovely, spacious, 4th floor, closed balconies. Tel. 814851.

SEHAREI HESSED large townhouse, patio, only for serious. Michael Starr. 02-218371.

BAKA, cottage, 5, garden, storeroom under construction, \$230,000. King David, 661144 (Maldan).

REHAVIA large 5, whole floor, ideal location exclusive Michael Starr. 02-228371.

OLD KATAMON Penthouse, 4, view \$200,000. 02-663951. 02-246595.

MUST SELL Key money, studio apartment, centre of town + phone, etc. Tel. 02-240476.

KIRYAT HAYOVEL, house, 4 1/2, 1/4 dunam, "D.B. Brokerage." 02-667276 (Maldan).

BEAUTIFUL HOUSE and more, in modern near Jerusalem. Tel. 02-765057.

TALBIEH, REHAVIA, SHARON-HESSED, selection of luxurious apartments. Call William Kotkes. 03-344698.

CASPI, 4 beautiful, view, storeroom, immediate. T.A.C. 02-631764.

KIRYAT SHMUEL, 2, charming, ideal for elderly, perfect location. 02-667696, 02-883601.

KIRYAT MOSHE, 4 rooms + parsonage, good exposures, 4th floor, lift, storeroom. Tel. 02-338388.

GIVAT SHAUL, entrance to city, 5 rooms, most luxurious, storeroom, special view. 02-434159.

TEL AVIV - RENTALS

THINK HOUSING - Think Canadian International.

3, FURNISHED, lift, parking, balcony, 500. Canadian International Tel. 03-257918 (Maldan).

LARGE LUXURIOUS APARTMENT Dubrovnik St., Tel Aviv. No agents. Tel. 02-263742.

TEL AVIV AND NORTH - selection of furnished and unfurnished apartments for rent. Anglo-Saxon, Tel. 03-217557/78.

TEL AVIV

PURCHASE/SALE

CANADIAN INTERNATIONAL ISRAEL - Israel estate.

"HUMAN PROPERTIES" offers: luxurious apartments, sale/rental, in Tel Aviv, Dan area. Tel. 02-298319, 02-286767.

3, LA SALLE ST. near Hilton! Luxurious, quiet, "Droit Aviv" 03-5412019.

HAIFA - RENTALS

AMERICAN RESIDENT seeking unfurnished villa or flat, 3-4 rooms, preferably long-term rental. Also or similar location. Tel. 04-254669.

FURNISHED ROOM to let. Mt. Carmel, all conveniences. Tel. 04-381792, 04-212335.

HERZLIYA

HERZLIYA PITUAH RENTAL, Duplex, 4 levels. Tel. 02-557042.

NETANYA

MODERN 3 ROOMS, rental, quiet location, near sea + town, \$325. Monica Kline-Reel Estate. Tel. 03-340715.

LUXURY VILLA, sale, overlooking sea, 5 large bedrooms + large kitchen; 110 sq. metres, salon, T.V. room, 3 bedrooms, 4 toilets. Super standard; modern furniture, 2 telephone lines, tropical garden, central heating, air conditioning, 6 cars - closed parking. Most prestigious area. \$450,000. Tel. 03-347333.

FOR SALE 4 very nice rooms, Jabotinsky. Real Estate Ben Naim. Tel. 03-330695, 03-334154.

FOR SALE in Michmore, 4 rooms + summer cottage on 3 dunams. No agent. Tel. 03-666587.

FOR SALE PENTHOUSE, 250 sq.m. very nice place, Real Estate Ben Naim. Tel. 03-330695, 03-334154.

SALE 4-room, apartment, Abu Shid, \$5,000. 03-341649.

OTHERS

RA'ANANA, GANEI HANESIM project, sale of exquisite cottages. Tel. 02-410888.

RA'ANANA COTTAGE, 7 rooms, roof + suca, tabu, prestigious, \$220,000. Tel. 02-440878, 02-910806, not Shabbat.

INVESTMENT

U.S. PORTFOLIO management and professional investment counseling. S. Shambou, 02-243555.

INSURANCE

CENTURION INSURANCE for the service you deserve. Tel. 02-2472334.

LESSONS

EXPERIENCED TEACHER gives guitar lessons, styles, theory. 02-63847.

CALLIGRAPHY COURSES, November 4. Teacher: Hella Hartman. Registration: Wednesday, October 28, 3-5 p.m., Hadassah Community College, 37 Nevit St. Jerusalem. More information: Tel. 03-9365462.

PRIVATE HEBREW lessons by experienced teacher, Saturdays + evenings, in teacher's house. 02-719977.

DRAWING AND PAINTING in Elin Keren. Studio Greenfield. Tel. 02-416097, evenings.

PIANO LESSONS, and levels, graduate Geneva conservatory. 02-713583.

MUSICAL INSTRUMENTS

HARRARI HARPS, Handmade Harps, delightful Door-Harps + stringed instrument repair. Tel. 02-712793.

"YODFAT" PIANO REPAIR tuning service, German and English Pianos. 04-9015079 03-475480, 02-814941.

PERSONAL

HANDSOME U.S. student going to Eilat, Nov. 9-12, looking for attractive student (f) for companionship. 02-667995, Mon-Wed, 10-12, 4-6.

VERY SUCCESSFUL AMERICAN Jewish Businessman, world traveler. Tall energetic, handsome, early 40s. European background, desires to meet tall, bright, good looking woman under 40 for nice relationship. Visiting Israel shortly. Please send photo/letter to P.O. Box 8182 FDR Station New York N.Y. 10150 USA.

CULTURED, ATTRACTIVE, poor woman, 39, seeks true, broadminded, secular, steady companion. 25-45. Tel. 02-431174.

MATRIMONIALS

PRETTY, PROFESSIONAL woman, presently in America, seeks educated, Shomer Shabbat man, 30-40, who can read a good "Dear Torah". Write details: P.O. Box 1575, Jerusalem.

WIDOWER, 49, Israeli, cultured, reliable, established, works in Denmark, seeking serious, willing to live abroad. P.O.B. 20126, Tel Aviv (No. 40914).

ATTRACTIVE, INTELLIGENT woman (45) seeks suitable partner. P.O.B. 8270, Jerusalem.

PURCHASE/SALE

WANTED: GAS CLOTHES DRYER, Tel. 04-982238, or 04-559194 Jerry.

CAMERA-RICOH professional 35 mm motor drive etc. \$150. Tel. 02-230222.

GUITARS: Univox Electric 2 E.K.-up, (am model, beautiful, case, NIS 550; Acoustic D-33 copy, case, NIS 475; Overdrive NIS 70, 02-230222.

VIDEO CAMERAS - SALE - purchase - exchange - equipment - rental. Tel. 03-653199.

VIDEO CAMERA, professional, NTSC, automatic, equipment, refrigerator. 02-717059.

BARGAIN! Beautiful, antique cupboard, central mirrors, 180 x 50. 02-520069, weekdays.

SERVICES

FURNITURE RESTORATION by experts. Re-upholstering, wood repair, re-finishing and re-staining. "Gamer". Tel. 03-811032.

GRADUATE TEACHER gives yoga and Chinese massage. Tel. 03-322584.

STAN HARRIS - carpet upholstery, shampooing, floor polishing. Tel. 02-450785.

ELECTRONIC TYPING of academic and literary manuscripts, English, German, French, Dutch, Margalit. 04-537722.

ARNOLD LEWIS SERVICES, Re-anna, Painting glass, plumbing + repairs. Tel. 03-913989.

VACUUM CLEANERS, oven microwave + repairs. Sales and trade-in. Domestic and industrial. We rent carpet shampooing machines. Peck Shilo, 61 Herzog, Jerusalem. Tel. 02-662350.

ELECTRICIAN, JACKIE GORE - Domestic, commercial, repairs, industrial installations. Tel. 02-248117 ext. 1168, 02-445801.

SITUATIONS VACANT

ON CARMEL Household help/live-in, recommendations. Tel. 04-243670.

AUTO-HIRE CLERK, English, French, driving license for year. 11 a.m.-7 p.m. 02-663392, 661749.

BABYSITTER 4-6 afternoons twice weekly, \$250. Tel. 02-634049.

WORDPROCESSING: touch typing, secretarial courses, English and Hebrew. Unique audio-visual system. Free demonstration. SIGHT + SOUND, Tel Aviv. Tel. 03-658454, 03-656022.

CULTURAL ORGANIZATION requires American only, part-time Hebrew-English secretary, flexible. Tel. 03-478704.

RAFFLES HAIRDRESSING (Israel) Ltd. Top salary, full time Receptionist, 5 day week, 24/24.

TWO CHILDREN need nurse maid. Live-in possible. Evening 04-257474.

BUSINESS CONSULTANT needs capable assistant-secretary, interesting work. Tel. 03-53841.

TEACH ENGLISH PART-TIME, Tel Aviv, Herzliya, Jerusalem, Haifa, Rehovot. Personality, academic background preferable. Qualifications unnecessary. Tel. 052-94158, 02-248294 (teaching Sunday).

REQUIRED KEAR SHMAYARU live-in woman for household + references. Tel. 052-70675.

SEEKING STUDENT once weekly to help with homework. Tel. 03-481438.

EXPORT JEWELRY plant, seeks sales agent for central and northern region. Experience and recommendations mandatory. Call: Tel. 02-526294 (teaching Sunday).

JEWELRY SHOP seeks experienced salespersons. Hebrew, mandatory; additional languages a plus. Enquire: telephone. Call: 02-526264 (teaching Sunday).

LIVE-IN MOTHER'S HELP, look after 2 months old baby + light housework, in Ramat Hasharon. Tel. 03-68737, 03-699165.

AU-PAIR WANTED for housekeeping + child-care. Please phone 03-419917, 03-546831.

PART-TIME English-Hebrew secretary required for legal translation Office-Kivrot. Tel. 03-340705, 03-526661.

RAMAT HASHARON, Responsible girl + deep-sea, family 2 children. Good conditions. Tel. 03-452096.

TRAVEL AGENCY requires secretary, part-time, Hebrew/English (mother-tongue), with typing. 02-242085.

OFFICE HELP - for busy health care service, dependable English-Hebrew speaker for relating to clients, workers, filing, basic bookkeeping. 02-66187, 02-661576, 9:30 a.m.-4 p.m.

FOR IMPORTERS, OR-YERUBA, 1 bookkeeper with knowledge of P.C. 2 Assistant for above bookkeeper. English an asset, pensioner possible. Tel. 03-354435, Saturday.

EDITOR/TRANSLATOR, Creative English writing, Bible, Judaism, required for publishers (free-lance). P.O.B. 16096, Tel Aviv.

VACANCY - CHALLENGING OFFICE position in industrial company. Mother tongue English. P.O.B. 33997, Haifa 04-729432.

WANTED: TEMPORARY NURSES, Hebrew or English speaking. Contact Anglo-Saxon, Tel. 02-228747.

PURCHASING CLERK for industrial company in Haifa Bay. Tel. 04-749452, P.O.B. 33997, Haifa.

LEARN WORDPROCESSING - typing. Full-time instruction. One student, one teacher. The Wordpro. Tel. 03-659021.

CLERK FOR TECHNICAL office for industrial company in Haifa Bay. Tel. 04-729432. P.O.B. 33997, Haifa.

AU-PAIR, HERZLIYA PITUAH, separate living quarters; good conditions. Tel. 052-553089, 02-544353.

PETAH TIKVA, young woman required, for housekeeping, live-in. Tel. 03-9324121.

FILIPINO GIRL for easy house-work in home of 2 persons, North Tel Aviv, 6 days weekly, 7:30 a.m.-4:30 p.m. live-out. Tel. 03-268628 (mornings).

EXCELLENT ENGLISH-speaking, good Hebrew, good looking, for interesting work in tourism. Tel. 02-533489, not Shabbat.

LIVE-OUT WOMAN, 5 days + references. Tel. 03-478591.

AU-PAIR, FOR MINIMUM 13 months, beginning Nov., English speaking + references, full-board, fair pay, in Herzliya. Phone Mrs. Orly, 052-574446 after 5 p.m. or 052-545268 during work hours. Sun-Thurs.

PENSIONER WANTED in Jerusalem to manage office building, 2-5 hours daily. 02-223858.

ENGLISH TEACHER, 1/2 position, good terms. 02-273992, 273339.

SECRETARY/CLERK Friday required, English and Hebrew, excellent English typing, 9 a.m.-1 p.m., 5 day week, NIS 400 per month. Immediate. Divided job with very small, existing company. Tel. 02-660002, 02-667667.

ENGLISH SECRETARY required for medical scientific journal, Jerusalem. Good conditions, 5 day week. Call 8 a.m.-4 p.m., Sun-Thurs. 02-222739, 02-227083.

ENGLISH TYPIST, 2 days a week, 8 a.m.-3 p.m. Tel. 02-234265.

SITUATIONS WANTED

EXPERIENCED METAPELET willing to work part-time in school with primary children. Tel. 02-586660.

EXPERIENCED WOMAN interested in looking after elderly, nights. Tel. 02-513902.

MISCELLANEOUS

CAMPING RENTAL MOTOR caravan, \$120 p.d., full equipment. Tel. 03-653199.

FURNITURE

UNUSUALLY BEAUTIFUL Italian dining room buffet set, classic, like new. Tel. 02-818294.

LEATHER, EASY CHAIRS, export surplus, NIS 495, "Gamer". Tel. 03-810332.

INT'L SHIPPING

THE PROMISED LAND in Jerusalem. Door-to-door containers. Allied Van Line agents. Also specializing in container, art, unaccompanied baggage, by air cargo. Receiving, packing at Yehoshua St., 02-561692.

GIFTS

NEW: Sylvia Jewelry. Wide choice of tasteful, Israeli, handmade jewelry and fashionable imports at low to medium prices. 35 Enak Ramat, German Colony, Jerusalem, next to the landromat.

VEHICLES

AUTOTAX consultation and agents for buying, selling, shipping tax-free cars. 02-422258.

ERICA LX 1900, 1985, 13,000 km. metallic, air-conditioner. First owner, excellent condition. Tel. 02-29707

LASER INDUSTRIES

A world leader in the development and manufacturing of medical laser systems

For the development of a variety of surgical lasers, the R & D division is seeking:

SENIOR LASER PHYSICISTS (Position No. 1330)

Job description:
• Design and development of lasers and laser systems.
• Participation in research of clinical applications of lasers.
• Management of R & D activities.

Qualifications:
• Ph.D. or M.Sc. in physics or physical chemistry.
• Ability to lead R & D projects.

LASER / ELECTRO - OPTICS PHYSICISTS (Position No. 1331)

Job description:
• Design and development of lasers and laser systems.
• Design and development of fiber optic delivery systems for surgical lasers.

Qualifications:
• Knowledge of lasers and electro-optical systems.

LASER OR PHYSICS TECHNICIANS (Position No. 1332)

Job description:
• Assembly and testing of lasers and electro-optical systems.
• Preference for candidates with established experience.

Please send handwritten application, including name, telephone number, address, curriculum vitae and professional experience to Laser Industries, Human Resources P.O.B. 18135, Tel Aviv 61131. Discretion assured.

תעשיות לייזר - קרן אור לקידום האנושות

UN TENDER

United Nations Disengagement Observer Force (UNDOF)

has a requirement for the following services at Camp Ziouani, Golan Heights.

AAA Garbage collection and removal
BBB Haircutting
CCC Tailoring

Interested contractors are requested to assemble at Conference Room at Canlog Camp Ziouani at 12:00 noon on Friday, October 30, 1987 where full details of requirements will be made available.

Contractors will be required to furnish evidence in English of their ability to provide such services. UNDOF will not be required to accept the lowest or any offer.

Pharmaceutical Company seeks

PRODUCTION PLANNING MANAGERS

Requirements:

- ★ Previous experience in pharmaceutical company
- ★ Natural sciences education
- ★ Fluency in English and Hebrew

Apply URGENTLY with hand-written curriculum vitae to P.O.B. 3235, Ramat Gan. Absolute discretion assured

UN tender

United Nations Disengagement Observer Force (UNDOF)

has a requirement for the construction/renovation of various buildings at Camp Ziouani, Golan Heights. Contractors interested in bidding for such projects are invited to attend at Conference Room, Canlog, Camp Ziouani at 11:00 a.m. on Friday, October 30, 1987, when full details and specifications of project will be made available.

Contractors will be required to furnish official translation in the English language of government authority to bid for such projects.

UNDOF will not be obliged to accept the lowest or any offer.

Pharmaceutical Company seeks

SALES PROMOTION MANAGERS

- Requirements:
- ★ Previous experience in pharmaceutical company
 - ★ Natural sciences education
 - ★ Fluency in English and Hebrew

Apply URGENTLY with hand-written curriculum vitae to P.O.B. 3235, Ramat Gan. Absolute discretion assured

TEL AVIV UNIVERSITY

Required

EXPERIENCED WORDPROCESSOR

Experienced English wordprocessor operator, mother-tongue English; for full-time/part-time position.

Applicants please apply in writing to: Personnel Department, Tel Aviv University, Ramat Aviv, Tel Aviv 69978. Tel. 420575.

OLD ESTABLISHED AGENCY FIRM

has vacancy for

SALES ENGINEER

- Experience and contacts in chemical industry - essential
- Challenging and remunerative position
- Knowledge of English essential

Apply to Tami or Jean, Tel. 052-521666 (Herzliya)

I can't believe I'm really doing this. But anyway here goes. I am an interesting, insightful, but anyway here goes. I am an interesting, insightful, successful, humorous, Jewish, Canadian businessman, living in Cyprus, 55. I am in my early forties. I am looking for an attractive, bright, petite lady to establish a permanent relationship with. If you are interested or curious regarding any or all of the above, please write to me c/o P.O.B. 81, Jerusalem 91000 for BB 1235, including your name and phone number. Replies from anywhere in Israel are invited. All replies will be answered. P.S. Thanks for reading my advertisement.

TEL AVIV EXPORT FIRM SEEKS CLERK

For the sales department.

Knowledge of English/French and typing essential. Export experience desirable.

Please apply to: Tel. 03-622581

SALESPERSON

Mature, proven experience. Fluent Hebrew and English. Full time. Tel. 02-423650, evenings.

Kibbutz Beit Guvrin wants

Exp. Gen. Dentist Also good with children - twice a week. Phone Rivkella 7 a.m. - 1 p.m. 051-874208.

JEWISH FREE SCHOOL LONDON, ENGLAND

The Jewish Free School is the largest Jewish Day-School in Europe, with a current pupil roll of 1,400. It is a mixed Comprehensive, catering for pupils between the ages of 11 and 18. It is run on Orthodox lines and is under the religious authority of the Chief Rabbi.

The School is planning a major Curriculum Development Programme for Limmudei Kodesh and is therefore seeking

A CURRICULUM COORDINATOR FOR JEWISH STUDIES

- The successful applicant would be responsible for:
- ★ Creating, in conjunction with a staff of 16, appropriate programmes for Jewish Studies throughout the School;
 - ★ Leading the staff in developing skills and teaching techniques in order to implement a Limmudei Kodesh Curriculum;
 - ★ Devising schemes for evaluation and assessment of Limmudei Kodesh Programmes.

It is anticipated that the successful candidate would come with Day-School experience and a proven track record. Personal qualities would include an ability to lead a team of professionals.

The salary and conditions would reflect the importance of the position.

Applications with full c.v. and a photograph to: The Executive Director of Education, Board of Religious Education, Woburn House, Upper Woburn Place, London WC1E 6BZ, England, to arrive by Nov. 10, 1987.

LWZ

A COMMERCIAL ENTERPRISE FOR THE PLANNING AND CONSTRUCTION OF SOLAR ELECTRIC GENERATING SYSTEMS.

ATTORNEY

- Israeli law school graduate
- Up to 3 years experience, preferably in an industrial company
- Mother tongue English

This position is intended for both men and women. The job is in Jerusalem. Please send your resume in English to Personnel Department, Luz Industries Israel Ltd, P.O. Box 7929, Jerusalem, 91079. - Secrecy guaranteed.

Luz - The Light of Tomorrow - Today.

Wanted in Jerusalem Clinical Research Associate

to plan, coordinate and evaluate clinical trials as required for product registration and product support, utilizing appropriate statistical design and advanced analysis techniques.

- Job requirements:
- Fluency in English and Hebrew
 - Ph.D. in relevant field, life sciences preferable
 - Relevant experience, preferably connected with industrial research
 - Proven ability to work with highly professional scientific staff.

Apply with hand-written curriculum vitae to P.O.B. 4278, Jerusalem 91042, marking envelope "Coordinator."

TOP SALESMAN

Highly experienced, sales oriented, mature man seeks a full time, challenging offer with progressive company as change from present position.

Healthy, hard working, willing to travel. Many years' experience in various sales fields, both direct and indirect selling (to wholesale and retail trade), including advertising and public relations.

Reply in strict confidence to Sales Executive, PO Box 47068, Tel Aviv.

U.S.-Israel Binational Research Fund

has part-time vacancy for

EXPERIENCED SECRETARY

English, mother tongue; typing; wordprocessing and good Hebrew essential
Contact Nira: Tel. 03-952244

THE BRITISH EMBASSY

invites sealed bids for the following vehicle:

Ford Granada Grosvenor 2.6 - 1981

7 seater limousine (ideal taxi vehicle)

Vehicle may be inspected at: 192 Hayarkon Street, Tel Aviv (Tel. 03-249171) 8 a.m. - 4 p.m., Mon. - Thur. only.

Closing date for sealed bids: MON., NOVEMBER 9, 1987

RELIGIOUS SERVICES

CHRISTIAN

SHABAT
Jerusalem
Tel Aviv
Haifa
Beersheva
Eilat
Tzfat
Tzfat
Tzfat

JERUSALEM

YERUSHALAYIM CENTRAL SYNAGOGUE, P.O. Box 435, 430. Shabbat, Shabbat 8:30. Mincha 12:45. Ma'ariv, 5:30. Cantor: Asher Haimovitz.

JERUSALEM GREAT SYNAGOGUE, P.O. Box 435, 430. Shabbat, Shabbat 8:30. Mincha 12:45. Ma'ariv, 5:30. Cantor: Asher Haimovitz.

WORLD COUNCIL OF SYNAGOGUES, Conservative, 4 Agmon, Friday, Mincha 4:45. Shabbat, Shabbat 8:30. Hazan: Haimovitz.

HEBREW UNION COLLEGE, Jewish Institute of Religion (Reform), 13 King David St. Sat. 9:30 a.m. Information on college programs; guided tour of campus. Service: 10 a.m.

HAIFA SYNAGOGUE, (Progressive) 16 Shmuel Hanagid, Tel. 02-23841. Friday 5:30 p.m. Shabbat morning 9:30, Rabbi Tzvi Ben-Chorin.

Tel Aviv

TEL AVIV CT. SYNAGOGUE, 110 Albeck Rd. Tel. 03-621445. Before Shabbat Shabbat 8:30. Cantor: Asher Haimovitz.

WHAT'S ON

Notices in this feature are charged at NIS 9.90 per line, including VAT. Every day of the month costs NIS 197.80 per line, including VAT, per month. Rates calculated according to regular column width.

JERUSALEM

Conducted Tours

Tourists and Visitors. Come and see the General Israel Orphan Home for Girls, Jerusalem, and its manifold activities and impressively modern building. Free guided tours weekdays between 9-12. Sun. 10-12, 14, 24 or 5, Kiyat Moshe, Tel. 522229.

HADASSAH HOSPITAL, Ein Kerem. Chagall Windows - synagogue open 8:00 a.m. - 4:00 p.m. Tours, Sun-Thurs, hourly, on the half hour. 8:30 a.m. - 10:30 a.m. Open 9:00 a.m. - 12:45 p.m. Tours, hourly on the half hour: 9:30 - 11:30 a.m. Entrance fee.

Half-day tours of the installations: Sun., Tue., Thur. Details: 02-416333, 445271.

HEBREW UNIVERSITY

English tours daily Sunday through Thursday: 1. Mount Scopus, 11 a.m. from the Bronfman Reception Centre, Administration Building. Buses 9, 28, 46, 25 & 23 to the first underground stop. 2. Givat Ram Campus, 9 & 11 a.m. from the Sherman Building. Buses 9, 28 & 24. Tel. 682819.

AMITY WOMEN (Formerly American Mizrachi Women)

Free Morning Tours - Tel Aviv, Tel. 220187, 233154.

ORT. To visit our technological High Schools call Jerusalem 533141; Tel Aviv 386171, 232321, 240529; Netanya 33744.

WIZO. To visit our projects call Tel Aviv, 222839; Jerusalem, 225060; Haifa, 358817.

MA'AMAT (P.W.) Visit our projects. Tel Aviv, 210781; Jerusalem, 244878.

HAIFA

TECHNION - Israel Institute of Technology presents Jack Lemmon's narration of "The Technion Experience" at the COLLEGE-CALIFORNIA VISITORS' CENTRE. Tel. 04-210664, Sun-Thur. 8:30 a.m. - 2 p.m.; Fri. till noon.

WHAT'S ON IN HAIFA, dial 04-640840.

JERUSALEM

Museums and Exhibitions

ISRAELI MUSEUM, Ilana Goor's room, original iron furniture designs (Photographs, Box Tel. Renaissance themes in contemporary context (Justin Liddle, new work especially for Israel Museum) (Israel Art) (Captive Dream, Jerusalem 1967) Special Exhibits: The Priestly Benediction on Silver scrolls (Nov. 1987, Magdalene Abakanowicz) (Empire, Arch. Arch. Michael Gross, Israel Museum) (Ilana Goor's Room, Memories of the Holy Land (Jewelry) (3500 Years of Chinese Art (Jan. 91, 10) (Tradition and Revolution: The Jewish Renaissance in Russian Avant-Garde Art) (Edomite Shrine discoveries from Qumran, Negev) (News in Antiquities) (7) (Wonderous India) (Tel. 02-624688) (Permanent Archaeology, Heritage and Ethnic Art Exhibitions: Shrine of the Book (Dead Sea Scrolls), Rockefeller (Archaeology) Museum: Crusader Art (Animals in Ancient Art. Check ad in Magazine for visiting hours.

L.A. MAYER MUSEUM FOR ISLAMIC ART. Visiting hours: Sun-Thurs. 10-12:30-6. Fri. closed. Sat. and holiday eve.

OLD YISHUV COURT MUSEUM

Use in the Jewish community in the Old City, mid-18th century-World War II, 8 Or Haim, Jewish Quarter, Old City. Sun-Thur. 9 a.m. - 4 p.m.

SER ISAAC AND LADY EDITH WOLFSON MUSEUM at Hotel Jerusalem: Special Exhibitions: Kovo Ghetto, images from Hidden Camera, photographed by Zvi Kadushin. High Holidays Exhibitions: The Making of a Shofar. Permanent exhibition of Judaica. Diorama Room: History of Jewish People.

SHORBALL MUSEUM of Biblical Archaeology of the Hebrew Union College, 12 King David Street, Tel. 233235. Visiting hours: Sun-Thur. 10-4, Fri. Sat. and Hol. 10-2.

INTERIOR ARTS LTD. GALLERY: Soft Paintings by Golan Shani - new medium in contemporary art that combines the soft ethereal textures of fabric with a vibrant use of color. Free transportation to Gallery - call Tel. 02-723111. Open: Sun-Thur. 9 a.m. - 7 p.m.; Fri. 9 a.m. - 1 p.m.

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Neve Yisroel, Neve Yisroel commercial centre, 852243; Belsam, Salah Eddin, 272315; Shu'fat, Shu'fat Road, 810105; Dar Alawa, Herod's Gate, 282058.

Tel Aviv: Shuhar (Brandel), 27 Pinks, 441449; Arlosoroff, 78 Arlosoroff, 230746; Tel Aviv: Kfar Sava: Sametov, Bar Han, Ramatana.

Netanya: Porat, 76 Patah Tikva, 340987; Krayot area: Nitzan, Mordchei Namir, Kfar Nitzan, Krayot Yarn, 751680; Haifa: Hanassi, 33 Sderot Hanassi, 33312.

Saturday, October 24
Jerusalem: (day) Kupat Holim Clalit, Romema, 523191; (evening) Ramot Alon, Ramot commercial centre, 957071; (day and evening) Belsam, Salah Eddin, 272315; Shu'fat, Shu'fat Road, 810105; Dar Alawa, Herod's Gate, 282058.

Tel Aviv: (day and evening) Basel, 25 Basel, 546185; Maayan Hayim, Zefat, 86 Sderot Yerushalayim, Jaffa, 814026.

Ramatana-Kfar Sava: (day) Hader, 12 Habanim, Hod Hasharon; (evening) Kupat Holim Clalit, Hareahot, Hod Hasharon.

Netanya: Porat, 76 Patah Tikva, 340987; Krayot area: Sabina, 24 Hagafen, Krayot Haifa, 712674.

Haifa: Hanassi, 33 Hanassi, 333312.

DUTY HOSPITALS

Friday, October 23
Jerusalem: Hadassah Ein Kerem (pediatrics, internal, Hadassah Scopus (obstetrics), Shear Zedek (surgery), 03-425832.

orthopedics, ophthalmology, Bikur Holim (E.R.), Tel Aviv: Rukh (pediatrics, internal, Ichilov (surgery), Netanya: Laniado.

Saturday, October 24
Jerusalem: Shear Zedek (pediatrics, obstetrics, surgery, orthopedics, ophthalmology), Bikur Holim (internal, E.N.T.), Tel Aviv: Rukh (pediatrics), Ichilov (internal, surgery), Netanya: Laniado.

POLICE

Dial 100 in most parts of the country. In Tiberias dial 524444, Krayot Shmone 4444.

FIRE

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

DENTAL

Tel Aviv: Dental Association clinic 49 Rehov Bar-Kochba, Friday: 6 p.m. to midnight; Saturday: 10 a.m. to 2 p.m.; 8 p.m. to 10 p.m. Tel. 03-284649.

Emergency Services - Shabbat and Holidays 8 p.m., weekdays 4:30 p.m. - 10 p.m., 25 Ahimad Street, Ramat Aviv Gimel, Tel. 03-425832.

FIRST AID 101

Magen David Adom
In emergencies dial 101 in most parts of the country. In addition:

Ashdod 51333 Jerusalem 523133
Ashdod 23333 Krayot 344442
Bar Yarn 523111 Krayot Shmone 4444
Be'er Sheva 74767 Netanya 23333
Carmiel 988555 Petah Tikva 923111
Dan Region 78111 Rehovot 451333
Elit 72222 Rishon LeZion 4222
Hadera 22333 Salfad 50033
Haifa 512233 Salfad 50033
Hetzor 936333 Tel Aviv 546011
Holon 70133 Tiberias 750111

* Mobile Intensive Care Unit (MICU) services in the area, around the clock.

Sam - Emotional First Aid, Tel. Jerusalem 227171, Tel. Aviv 561111 (children) 03-261133, Haifa 672222, Be'er Sheva 418111, Netanya 35316.

The National Poison Control Centre at Rambam Hospital, phone (04) 520205, for emergency calls 24 hours a day, for information in case of poisoning.

Rape Crisis Centre (24 hours), for help call Tel. 234878, Jerusalem - 246554, and Haifa 660111.

Kupat Holim Information Centre Tel. 03-433000, 433000 Sunday, Thursday, 8 a.m. to 8 p.m., Friday 8 a.m. to 3 p.m.

FLIGHTS

24 - Hours Flight Information Services: Call (03-371249) (multi-line), Arrivals Only (Taped Message) 03-381111 (20 lines)

The Jewish Agency for Israel

Personnel Dept., P.O.B. 92, Jerusalem 91 920

External Tender 309/87/H

Office of the Secretary General

Position: **Secretary - Word Processing**

- Requirements:
- Mother tongue English
 - Working knowledge of Hebrew - written and spoken
 - Excellent typing skills
 - Willingness to work extra hours
 - At least 2 years' experience
 - Knowledge of word processing/Wordstar

Salary commensurate with candidate's qualifications.

Last date for applications: November 2, 1987.

Ma'ariv

Advertisements can be placed in Lush Ma'ariv at advertising agencies and Lush Ma'ariv offices only. Classified advertisements reaching the Lush Ma'ariv head office by 5 p.m. on Thursday will appear in this section on Friday.

Accountants' office requires secretary-typist, full time, experienced, fluent in English and Hebrew, P.O.B. 223187.

Accountants' office requires: 1) Excellent balance word processor operator, on Lamer word processor, full time. 2) Lamer word processor operator, afternoon, P.O.B. 633614.

Assessment office requires excellent clerk-typist, 08:00-15:30, P.O.B. 258784.

Beginning clerk, educated, for accountant, P.O.B. 20409, Tel Aviv, 03-234560.

Budget Car Rental Company requires typist, possibly not experienced, on P.C. or laser, bookkeeping, knowledge preferred, 14:30-20:30, good conditions. Apply to bookkeeping department, 6 Hahar Medet, Tel Aviv (near Chertok), 03-377488.

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Clark for video library, afternoon, Alaska area, 03-474803.

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Engineers' office requires clerk-typist, independent thinker, part time, 03-571728.

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Experienced clerk, preferably a secretary, communications/operations, for messengers' office, high pay, benefits, 03-571728.

Experienced secretary-typist for lawyer, 08:00-15:00, full time, 03-255465.

Full time clerk, Ramat Gan, 03-121235.

General clerk, bookkeeping knowledge, full time, preferably experienced, 03-571728.

Good typing, Hebrew-English, for office work, 03-472356, 03-43275.

Holot factory requires secretary to run office and export department, 03-571728.

Idan requires secretary, Hebrew-English, experienced, full time, 03-571728.

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Karmel requires full time secretary, motivation, typing, 03-571728.

Kiryat Anava factory requires English-Hebrew secretary, with 12-15 years exp., full time, 03-571728.

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Lawyer, Ramat Gan, typing knowledge, 03-255414.

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Secretary, full time, with initiative, Hebrew-English typing knowledge, 03-571728.

Secretary, word processing, for engineers' office, Tel Aviv, 03-255414, 03-470124.

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Seeking young woman for clerical work, 03-571728.

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Anglo-Saxon Herzliya requires experienced secretary, 03-571728.

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Responsible for clerical work, Ben Gurion Airport requires expert clerk, experience essential, 03-571728.

To care for elderly woman, Tel Aviv, middle-aged woman required, private room + convenient, 03-40088, evenings, 03-74586, mornings.

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Lawyer's office requires experienced secretary, 03-571728.

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BASEBALL: Cardinals 7, Twins 2. Series tied at 2-2

Lawless proves he's late but useful

By BEN WALKER
ST. LOUIS (AP). - Tom Lawless' three-run homer triggered a six-run romp as the St. Louis Cardinals rallied in the fourth inning to beat the Minnesota Twins 7-2 on Wednesday night, tying the World Series at two games each.

The Cardinals, overpowered in the first two games of the best-of-seven series, showed they can play that way, too, combining four hits and three walks in that inning for a 7-1 advantage.

Jim Lindeman, joining Lawless as one of the game's most productive players, had two RBI singles in St. Louis' nine hits off four Minnesota pitchers.

Ken Dayley protected the lead by retiring Gary Gaetti and Tom Brunansky with the bases loaded to end the seventh inning. Dayley got a save in relief of Bob Forsch, who went 2½ innings in relief and got his first World Series victory in four decisions.

Lawless, a little-used reserve whom Cincinnati traded to Montreal for Felix Rose in 1984, got the Cardinals even with the biggest hit of his career.

Tony Pena drew a leadoff walk in the fourth, and Jose Oquendo followed with a single. That brought up Lawless, who made just three starts during the regular season, but was making his third start in the post-season, because of an injury to third baseman Terry Pendleton.

Lawless lofted a pitch high over the left-field fence, setting off a fireworks display over Busch Stadium and in the crowd of 55,347.

Viola, seemingly bothered by the 5 degrees Celsius temperature at the start of the game, kept blowing on



THIEF. The Cards' left-fielder Vince Coleman steals 2nd as the Twins' Greg Gagne fails to field a low throw from catcher Tim Lander.

his hand to keep warm, while the Cardinals kept hitting. Coleman walked one out later and Viola left. With Dan Schatzeder pitching, Coleman stole his fourth base of the series and Tom Herr was intentionally walked with two outs.

Lindeman, who singled home St. Louis' tying run in the third, hit another RBI single and Willie McGee lined a two-run double.

Lawless went 2-for-25 during the regular season and was hitless until mid-August, despite spending the whole year with the Cardinals. Viola, who gave up one run on five hits in eight innings of the opening game, simply did not have it, while pitching after three days' rest for the fifth time this year. Viola went to a three-ball count only once in game 1, but went there twice alone in the second inning.

Cardinals starter Greg Mathews, pitching for the first time in 10 days since pulling a muscle in his right leg during the league playoffs, also struggled. He gave up Greg Gagne's home run in the third and left in the fourth.

The Twins made it 7-2 against Forsch in the fifth on an RBI single by Kirby Puckett. But a diving stop by shortstop Ozzie Smith for a forceout and a tumbling catch by Coleman in left field ended the inning.

Greg Gagne, dropped from second to eighth in the Minnesota lineup after going 1-for-12, led off the third with a home run.

The Cardinals tied the score in their half of the third. Viola walked Smith with two outs. Herr and Lindeman followed with singles that made it 1-1. Lindeman had two of the Cardinals' five hits against Viola in game 1.

SOCCER PREVIEW

Betar must be much more lethal

Post Sports Staff
The three matches in the latest round of National League matches, which conjure up the most interest, all take place in the greater Tel Aviv area.

After their laggard start to the season, Betar Jerusalem have returned to play like champions in their last few games... Well, almost. The flair is there, the goals have been forthcoming, and they have provided some attractive fare for the fans. But, somehow, the lethal deadliness and the determination to go for the jugular have been absent. They give an impression that they are resting on their laurels - that a single season at the pinnacle of the local game was the summit of their ambitions, and that they have nowhere to go but down.

The man who can provide that

ferocious will to win at all costs - or very nearly all costs - may be back in the line-up this weekend at Petah Tikva. Whatever controversy surrounds Shlomo Shirazi as a man, nobody can fault him on a soccer field for lack of commitment. Nor for lack of talent. He is a powerful force in any match, and Betar will be thrilled to have him back as a player, whatever reservations they may have about him as a citizen.

Whether, however, he will be able to take the extra pressure when unkind rival fans taunt him about his alleged crimes is another matter.

Since Hapoel Petah Tikva are potentially an exciting outfit, this could be a really intriguing tussle.

Two Tel Aviv sides, Hapoel and Betar, have both gone off to reasonable starts. They are in the third and fourth slots on the table

only because of goal difference. Along with Maccabi Tel Aviv (one place above them in the table), they are the only undefeated teams still left in both top divisions. That record may remain intact after tomorrow's clash at Bloomfield. Prestige, even in a so-called minor key derby, is not to be sneezed at as a contributing factor.

West Maccabi Tel Aviv and Maccabi Haifa last played at the National Stadium, they split six goals in a roaring thriller. That was in last season's Cup Final, which the Tel Avivians won in a penalty shoot-out. The very Haifa's fortunes have changed this season (they are in penultimate spot, with only Hapoel Lod propping up the lag below them and without a single victory to their credit, and with just two goals, they will welcome a single point to take back up the crowded highway).

But their capacity to produce a decent effort, even now in such trying circumstances, can hardly be discounted out of hand, because they have so many talented players in the team.

Regardless of what happens in the metropolitan, Maccabi Netanya ought to continue nervously

on their way, consolidating their position at the top. They are three points clear at present by goal margin and may well increase that amount by 5 p.m. tomorrow evening at the expense of their visitors, Hapoel Zefelim.

There is a clear boost this weekend for pool fans. The splitting of the league fixtures between Fridays and Saturdays often plays havoc with the excitement generated as they follow the fortunes of their favourite team, since, by the time Saturday afternoon rolls round, their prospects of coupling a big prize are already being killed off. This weekend all National League games are to be played on Saturday afternoon, and only Hapoel Haifa v Hapoel Netanya in the Second Division is being staged today.

NATIONAL LEAGUE FIXTURE LIST

(All games on Saturday at 3 p.m. unless stated)
Mac Tel v Mac Haifa - National Stadium 4 p.m.
Mac Tel Aviv v Betar Tel Aviv - Bloomfield 4 p.m.
Hapoel Netanya v Hapoel Haifa - Bloomfield 4 p.m.
Hapoel Lod v Hapoel Zefelim - Bloomfield 4 p.m.
Hapoel Netanya v Hapoel Haifa - Bloomfield 4 p.m.
Hapoel Netanya v Hapoel Haifa - Bloomfield 4 p.m.
Hapoel Netanya v Hapoel Haifa - Bloomfield 4 p.m.

EUROPEAN SOCCER

Only Madrid and Porto put on a show

LONDON (Reuters). - Holders Porto turned back the clock to the greatest days of European club soccer on Wednesday night when they and Real Madrid produced a thrilling match which lived up to its billing as the outstanding tie of the European Cup second round.

Although the Portuguese team were beaten 2-1 in their Champions' Cup first leg meeting in Valencia, they and the Spanish champions justified their reputations as two of the most skilful and tactically-advanced soccer teams in Europe.

But sadly, on a night of 28 matches in all three European club soccer

competitions, the standards set in the Mediterranean coastal city were not reflected elsewhere. Several games ending in low-scoring draws, not one team succeeding in scoring more than three goals and Italy's quintet of teams failed to muster a victory and scored only one goal between them.

Porto, who revived the flagging reputation of the European Cup with their victory in last season's final against Bayern Munich in Vienna, led Madrid for 21 minutes in the second half before going down 2-1 in a dramatic finish.

Playing subtle, counter-attacking soccer and defending with skill and determination, they took a 50th minute lead through Algerian striker Rabah Madjer and held on against Europe's most-vaunted attack until nine minutes from time.

Then, with veteran striker Carlos Santillana as an substitute in a late gamble to save the match, Madrid recovered some pride thanks to their power in the air rather than their skills on the ground.

Santillana - renowned for his extraordinary jumping prowess - leaped to head down a high ball to striker Hugo Sanchez and the Madrid international chested it over the line.

With only seconds of the match remaining, Madrid stole a narrow advantage for the away goal in Porto in two weeks time when Miguel Sanchez rose above a string of defence to head in a cross by Spanish international midfielder Michel.

Assuming they can overcome Madrid in Portugal, Porto are likely to be joined in the last eight by Bayern who face a similar task after losing 2-1 in Switzerland to Neuchâtel Xamax. Anderlecht of Belgium and PSV Eindhoven of the Netherlands.

The low countries' teams both won 2-1 away

at Sparta Prague and Rapid Vienna respectively.

Steenackere, the 1986 winners of the European Cup, beat Cyprus's Omonia Nicosia 2-1 and should go through with Glasgow Rangers who beat Goran Zabrejic by the many score in Scotland.

Porto's domestic rivals Benfica should also feature in the quarter-final line-up after drawing 0-0 in Denmark with Aarsenal, a result which French champions Bordeaux repeated in their visit to Norwegian champions Lillestrom.

In the Cup Winners' Cup, holders Ajax Amsterdam attacked impressively and won 1-0 in West Germany against Hamburg while Italy's Azzurri were beaten 1-0 in Greece by OFI.

Three of Italy's four UEFA Cup representatives, Juventus, AC Milan and Internazionale were beaten without scoring - the Milan pair being defeated on Italian soil - while the fourth, Verona, managed only a 1-1 draw at Utrecht in the Netherlands.

CRICKET

India avenge Aussie defeat

NEW DELHI (Reuters). - Title-holders India convincingly avenged their one-run defeat by Australia at the start of the World Cup competition with a 56-run victory in the showdown between the top two group A teams here yesterday.

The hosts' win came on Diwali, the Hindu new year, and celebrations at the Feroz Shah Kotla ground were even more exuberant than they might have been. A crowd of nearly 40,000 cheered wildly as the Australians subsided to 233 all out in 49 overs. India batted first

and made 289 for six in their 50 overs.

As a result of the win, India edged to the top of the section on higher run rate - 5.31 to Australia's 5.28. Both teams have 12 points but India must now be favoured to win the section and fulfil their hopes of playing the semi-final on November 5 in Bombay, rather than travel to Lahore to play the group B winners, probably Pakistan, the previous day.

Australia went into the match with five seam bowlers, including 38-year-old Andrew Zane, nearly proving a factor and three sliders were fluffed - never let the small ball on the score-board distract them from the business at hand. As close as the final result seemed on paper, the Aussies really had little hope of gathering momentum as the few extra runs for what would have been a rather undesired victory.

Martin Trope was their only batsman to show any character with a stylish 31 but in the end Joseph's 5-21 held sway. If there had been an award for man of the match, he would have deserved it. In its absence, the entire home side can collectively enjoy the plaudits.

Ashdod A go through convincingly

ASHDOD. - Ashdod A went into their semi-final match of the local cricket league as underdogs against fancied Hebrew University. They were missing their star batsman St. Eval Neblett but cared not a whit for pre-match predictions.

Despite also getting something of a raw deal with two slightly unfortunate umpiring decisions, Ashdod produced a spirited team performance to emerge victors by 14 runs. Thus they qualified for next month's final in what will be, as so many times in the past, an all-Ashdod affair.

The home club's prospects did not look all that good after they only

managed to make 105 in their innings which had been reduced because of the rain to 37 runs. Alan Moss with some tidy pace bowling was their chief destroyer with 6 for 29.

But Ashdod, behind the excellent bat of Joseph and some very keen fielding, proved a factor and three sliders were fluffed - never let the small ball on the score-board distract them from the business at hand. As close as the final result seemed on paper, the Aussies really had little hope of gathering momentum as the few extra runs for what would have been a rather undesired victory.

TENNIS Connors beaten

TOKYO (AP). - Jimmy Connors, who after his first round match complained of having broken his right foot, was easily beaten by unseeded Australian John Fitzgerald in straight sets, 6-3, 6-1 in the \$375,000 Seiko Super Grand Prix yesterday. The No. 4 seed has now decided to take three months off to recover from his injury.

Ivan Lendl, Stefan Edberg and Boris Becker all advanced to the quarter-finals. Top-seeded Lendl crushed Robert Seguso of the United States, ranked 12th in the world, 6-0 in less than an hour. Edberg, seeded 2, 6-0 in less than an hour. Edberg, seeded 2, 6-0 in less than an hour. Edberg, seeded 2, 6-0 in less than an hour.

RUSSIAN POET

(Continued from page one)

in his spare time... Brodsky's work soon had him in trouble with the authorities. In 1964, he was convicted of "parasitism" and sentenced to five years hard labour in an Arctic labour camp. International protests led to his release after 18 months.

He was ordered to leave the Soviet Union in 1972 and settled in New York, acquiring U.S. citizenship in 1977.

Nobel Academy member Sture Allen said Brodsky had acquired an astonishing mastery of English, giving his work a unique, all-embracing quality. "Reading Brodsky is like standing on top of an existential hill and looking down on two worlds, two empires," he said.

Brodsky was the first Russian-language writer to win the prize since Alexander Solzhenitsyn in 1970. The academy citation placed him squarely in the tradition of the great 19th century Russian poet Alexander Pushkin and 1958 prize winner Boris Pasternak.

But Brodsky has also written in

English. One series of poems - "The History of the 20th Century" - written in a tone of raillery and parody, displayed "quite amazing mastery of the English idiom," the academy said.

"For Brodsky, poetry is a divine gift. The religious dimension that one meets in his work is of a nature that adheres to no creed," Brodsky had been widely tipped for this year's Nobel Prize, after having been shortlisted for several years. Allen said he was not primarily a political writer. "His life story has political chapters, not his work," he said.

The academy has a reputation for choosing prizewinners whose work is not readily accessible to general readers and Allen said Brodsky's poetry was also "very complicated." But Russian Prof. White said: "Brodsky can be absolutely stunning, especially in contrasting the bleakness of life with the brilliance of language." He recalled being mobbed at a Moscow concert two years ago when word got out he knew Brodsky.

LABOUR

(Continued from page one)

chairman of the Jewish Agency board of governors, and to support Lewinsky's plan to reduce the Zionist executive from 36 to 17 members.

The Likud has failed to produce a candidate of its own for WZO chairman, but was banking on getting the post of treasurer in a coalition headed by Labour.

Leker, who masterminded the coalition negotiations, denied claims by Likud spokesmen that there has been an understanding over the

years that the two large parties split the number one and number two posts in the WZO between them.

He said that Labour wants a wall-to-wall coalition in the WZO and is ready to negotiate such an agreement with the Likud and the Mizrahi. The makeup of the reduced executive as envisioned by Leker is five seats for the Likud, five for Labour and its smaller allies, two for the Mizrahi, three for the Confederation and one each for Arzeinu and Mercaz.

The rise and fall of Noah

TORA TODAY
Pinchas H. Peli

The Tora portion this week is Noah (Genesis 6:9-11:32).

NOAH HAS often been called "the father of all of humanity." This was not because he happened to be the first of all humans, but because he and his immediate family were chosen to be the last, the sole survivors of the human race when the world, nine generations old, was wiped out by the flood.

Why was Noah, of all the people of his generation, chosen to be spared?

An answer is offered of course in the biblical story that tells us of the flood. "He was," we are told, "a righteous and perfect man who walked with God" (Genesis 6:9). Earlier, when God looks with sadness at the world which He had created and has some second thoughts regarding the whole project (6:5-8), we are told: "And Noah found grace in the eyes of the Lord." In neither place are we told what it was about Noah, his personality or his actions, that made him "righteous and perfect" and earned him the "grace" to be singled out as sole survivor of a world that went under; nor are we told how Noah himself may have felt about being left alone in the world.

What is missing in the terse biblical story was supplied in part by the rabbis, who over many generations probed the story of Noah not only to find answers to the questions, but mainly to try and deduce what lesson the ancient story has for us today. Their insights into the personality of Noah, show that although Noah is the only biblical figure to be called *zadik* (righteous), he is far from a flawless model to be emulated. His actions and his reactions to what is going on around him leave much to be desired. His story is told mainly to tell us how not to act in situations similar to those that confronted Noah. His righteousness, which was undoubtedly outstanding in his corrupt generation, did indeed save his skin, but was not enough when one thinks of what he could have done or when compared to what other biblical figures did in analogous situations.

The story of Noah represents a description of a certain stage in the educational process towards the assumption of the responsibility which Tora requires of us as humans who are created in the image of God and are expected to act like His partners. Unconditional free will, which is an expression of our divine image, entails full responsibility for our actions, as well as for the proper maintenance of the world.

Does Noah manifest such responsibility? What is Noah's reaction when told by God that the world is about to be destroyed and an end will come to all flesh? Noah listens and dutifully goes on to fulfill God's orders. In that, he is one step ahead of his ancestor Adam, who was petrified and ran to hide when God approached him (Genesis 3:8). Noah does not run away or shrink from God's orders. But, he is still very lacking when compared to Abraham, whose reaction was totally different when told by God of his intention to destroy Sodom and Gomorrah. Not only did Abraham not run away, as Adam did, he also refused to take God's warning lying down, as did Noah. He intercedes with God to change the verdict for the sake of whatever righteous people may be found in Sodom. It is interesting to note, that in his plea to God, Abraham describes those who may save Sodom in the same term (*zadik*) used in the Tora to describe Noah. When those were not found, Abraham gave up his pleading, convinced that he had discharged his responsibility as best he could (18:23-33).

It would take five more generations until Moses would find himself in a similar situation, as God threatened to destroy the people of Israel for their worship of the Golden Calf. Moses, unlike Abraham, did not confine his pleading for the righteous alone. He saw his responsibility as offering his life in order to save his people, even though they had sinned (Exodus 32:1-14). There is a long distance between the responsibility demonstrated by Adam and by Moses. The case of Noah is recorded as one stage, and not the most advanced one, in the process of learning the meaning of responsible leadership in the Tora. Noah, not trying hard enough, lost his world while Moses succeeded in saving his entire people. Only Moses, concludes the Book of Splendor (the *Zohar*), deserves therefore to be called *ra'ya mehemma* ("faithful shepherd," as he was ready to forfeit his own life in order to save his generation).

THIS OBVIOUS inadequacy in Noah's reaction to the imminent destruction led the rabbis to a closer look at some other aspects of his biography. Noah was the son of Lamech, a descendant of Seth, the third son of Adam. He was born at a turning point in human history, when the curse of the earth caused by the sin of Adam was eased and man began to till the land and see the results. The name Noah, is an allusion in Hebrew to the relaxation after the curse.

The world in which Noah grew up was marked by affluence. He did not have to work as hard as his parents did in order to make a living, not did he wish to. He took life easy. Altogether, he seems to have



been a phlegmatic type. Not only does he fail to react when told that the world was about to be destroyed, satisfied that he had his own "fall-out shelter," but even when the waters began pouring down he does not enter the ark until ordered to do so (Gen. 7:1).

Likewise, when the flood stopped, he stayed in the ark and did not get out until ordered to do so (ibid. 8:15-16). The rabbis of Midrash did not fancy this kind of passivity. Says R. Yudan (Gen. Rabba, 34): "If I were there, I would have smashed the ark to get out! But, not so Noah. He was totally inactive. Throughout the entire story he does not utter even one word."

According to certain calculations the rabbis figure out (ibid. 22) that Noah preferred to live a comfortable single life until quite late in life. He did not get married until he was 498 years old! His age was no obstacle to his marrying into a respectable and well-to-do family and he married Naamah, the sister of Tubal-Cain, a rich industrialist, the first "forger of every cutting instrument of brass and iron" (Gen. 4:22). She was considered no less righteous than he was (Mishlei rabbati, 30).

After the deluge it was up to his family to rebuild the world. Unlike Adam and Eve, the original first couple, Noah and Naamah had no Garden of Eden prepared for them. They had to go about it the hard way, step by step. Noah could not grasp that this was not the old world anymore, where things came easy. He wanted to strike it big right away. "Ya-yahel Noah ish ha-adama w-yihyeh karm," (and Noah the husbandman began and planted a vineyard) (Gen. 9:20). The rabbis (Gen. rabba, 36) criticize Noah for this and translate *ya-yahel* not as "began," but (from *ho*) as "cheapened" or "profaned" himself. "Instead of concentrating on producing the essential necessities of life, he rushed to produce wine, a luxury item."

Knowing Noah's character the rabbis were sure that he was not going to do the work all by himself, and would require an assistant - none other than Satan, who had happened along at the very moment when Noah was engaged in planting the first sapling. Satan asked him:

PEACE TALKS

(Continued from page one)

masius for talks with the Syrian leadership. "He is there to continue the dialogue and consultations that the secretary engaged in on the peace process and regional issues during his trip to the region," she said. "He will also discuss the serious political and economic situation in Lebanon."

Murphy's visit to Damascus underscores the modest but steady improvement in U.S.-Syrian ties. In September, the U.S. returned its ambassador to the Syrian capital. "The need for high-level dialogue with Syria is reviewed on a case-by-case basis, and exceptions like this one are made within that framework," Oakley said.

Regarding Shultz's talks in Moscow, Oakley said the Soviets would have to play "a constructive role" in the Middle East, but she declined to elaborate.

In the past, the U.S. and Israel have insisted that the Soviets first reestablish diplomatic relations with Israel and ease the plight of Soviet

Jewry as preconditions for their participating in Arab-Israeli peace talks. Foreign Ministry Political Director-General Yossi Beilin, who is in London, said yesterday. "The precise nature of the framework is not important. What matters is that a setting is established for direct talks." He was commenting on speculation on Secretary of State Shultz's attempts to arrange an "interim peace conference" to be attended only by the U.S., the Soviet Union, Jordan and Israel.

Beilin ruled out speculation that he would meet with senior Jordanian or Soviet officials during his five-day stay in London, but he noted that Shultz had met twice with King Hussein in the course of a brief stopover in Britain earlier in the week - presumably to sound out the king on the possibility of a four-nation conference.

Beilin is today to hold talks with Foreign Secretary Geoffrey Howe, who is to visit Egypt and Jordan at the end of the month. Howe's deputy, David Mellor, is scheduled to visit Israel early next year.

PROGRESS

(Continued from page one)

termoon. The evening session was due to cover the world's regional problems, he said.

The two sides had set up eight different working groups of experts dealing with medium-range weapons, strategic arsenals, conventional forces, chemical weapons, bilateral problems, regional issues, human rights and nuclear testing, he said.

Redman said the experts handling medium-range weapons, strategic missiles and conventional forces had been told to prepare to work through the night.

The experts' task on medium-range forces is to reach agreement on a treaty ready for signing by President Ronald Reagan and Gorbachev at a summit later this year.

Redman, speaking for both the U.S. and Soviet sides, said the experts on medium-range weapons had been told to report back to Shultz and Shevardnadze later in the

evening on what progress they were making.

If the U.S. and the Soviet Union strike a deal on this class of weaponry, it will be the first agreement since the dawn of the nuclear age that commits the superpowers to reduce their missile arsenals.

The weapons in question can travel from 500 to 5,000 kilometres. Redman said the two ministers had described their morning talks as "constructive and problem-solving."

Shultz and his 100-member entourage were prevented from flying to Moscow by the worst fog in the capital in 107 years of weather observation. They arrived by train from Helsinki.

"The train ride and the improvisation to put it together on the spur of the moment, which everyone worked on together, shows the serious intentions on both sides," Shultz said.

U.S. Jews: 'Black Monday's' impact on fundraising is minor

Walter Ruby

NEW YORK—The dramatic 508 point plunge on the New York Stock Exchange on Monday struck fear and a momentary touch of panic into the hearts and psyches of leaders of the American Jewish establishment — just as it terrified millions of other Americans as a possible harbinger of a return to the desperate conditions of the Great Depression of the 1930's.

But as the market rallied on Tuesday and Wednesday, recovering nearly three-fifths of the ground lost on 'Black Monday', Jewish community leaders expressed both relief and a sense of basic confidence in the soundness of the economic system. The majority expressed the opinion that while the sharp stock market selloff of more than 700 points since late August and attendant economic uncertainty would probably have some temporary negative impact on American Jewish organizations' fundraising abilities, the long term impact on money-raising efforts was likely to be relatively minor.

The consensus was that wealthy individuals who contribute the bulk of Jewish philanthropy have so far not been badly hurt by the stock market falloff, and will not be impaired in their ability to make large contributions unless there is a much more fundamental collapse in the economic order than has so far been manifested.

But even the more optimistic Jewish leaders admit that they are holding their breath and are concerned that the economy could continue to worsen as long as conditions that precipitated the stock market plunge — such as the huge U.S. debt and negative trade balance — are not being dealt with.

The stakes for Israel in all of this are substantial. The United Jewish Appeal last year contributed more than \$300m. to a myriad of vital social programs in Israel via the Jewish Agency.

Other organizations, like Israel Bonds and the Jewish National Fund, contributed tens of millions more. In addition, the effectiveness of organizations like the Anti-Defamation League of B'nai B'rith and the National Jewish Community

Relations Advisory Council, which do political advocacy work on behalf of Israel, could be impaired by a falloff in fund-raising efforts created by an economic downturn.

The executive director of the United Jewish Appeal-Federation of New York predicted Tuesday "that cash payments and pledges by contributors to UJA-Federation will be (adversely) affected" by the stock market plunge. He candidly admitted: "I wouldn't want to go out and solicit (for contributions) today."

However, the official, Ernest Michel, said he is hopeful that the negative impact on UJA-Federation "will be in the short-run and not over the long-run," adding, "Right now, we just have to wait this thing out." UJA-Federation, the largest local philanthropy and fund-raising agency in the world, last year raised \$124 million: 70 per cent of which was sent to projects in Israel and 30 percent divided between 130 Jewish agencies in New York.

Michel said there is "major concern" that the UJA-Federation campaign will be hurt by the stock market plunge. Michel remarked, "I am concerned that our cash income for the foreseeable future could be affected." He said he expects some people to be slower than usual in paying pledges they made to UJA-Federation, and added, "I am afraid that some of our capital building plans — where we are looking for really major gifts — could be affected. Future endowments could also be set back."

Michel said that UJA's Wall Street Division — by far the most lucrative of its many 'professional' divisions — will be set back for a time by the collapse. He said, however, "Many of our major gifts from Wall Street are already in, and fortunately we do not have any major fund-raising events for the next several weeks. Our next dinners are not until mid-November and by that time I hope we will have progressed beyond the losses of yesterday."

According to Michel, "While we

are concerned, there is no emergency or crisis atmosphere at UJA-Federation. We have scheduled no meetings for planning contingencies. We've been in business a long time and have gone through a lot. We are going to ride this situation out."

Carmi Schwartz, executive director of the Council of Jewish Federations, remarked, "We are concerned by what happened on the stock market. But I believe we have every reason to be confident that (Jewish) leadership understands its responsibilities." In an analysis of the impact of the Wall Street crash on the national UJA-Federation campaign, Schwartz concurred with Michel that "it will take us longer to collect some pledges. But fortunately, many of the major gifts of the 1988 campaign are in already." Schwartz said he knew of no major Jewish philanthropists who had been "wiped out" financially by the 500 point plunge and said that Jews in the financial community "are saying to me that that now is a good time to buy stocks."

Noting that one leading Jewish Wall Street investor had predicted to him that the Dow Jones Industrial Average will be back up to 2500 by the end of the year, (the Dow plunged to just 1800 Monday but had climbed back above 2000 by the close on Wednesday), Schwartz said that the attitude he was hearing expressed by people in the know is "Don't worry about it."

Kenneth Bialkin, a securities lawyer and immediate past chairman of the Presidents' Conference, was somewhat more downbeat. "I think anything that affects the economy and the financial community in a radical way must be expected to have some impact (on Jewish fund-raising)," Bialkin said that the crash had come at a "bad time...the time of year when a lot of people make their charitable contributions. A lot of people are going to be feeling a lot poorer, and that factor combined with the effects of tax reform can be expected to have some impact."

Bialkin said that while concern over the impact of the crash on Jewish philanthropy "shouldn't be exaggerated," he nevertheless feels that "there is reason for concern and careful planning (by Jewish organizations) ... charities may have to take another look at their budgets."

Martin Stein, president of national United Jewish Appeal, said he was encouraged by the results of fund-raising solicitations he carried out Tuesday and Wednesday in Boston among participants in the International Leadership Reunion — an annual convocation of UJA and Keren Hayesod leaders from around the world. Stein said that all of the participants at the convocation had pledged gifts of \$250,000 or more to UJA or Keren Hayesod, and that overall the participants in the convocation pledged over \$38 million to UJA and Keren Hayesod this year compared to \$32.5 million last year — a healthy jump of 16 percent.

Stein is optimistic that contributions to UJA will go up this year despite the negative atmosphere. "We've always been able to make a major effort and produce positive results ... For the Jewish people, *tzedakah* is not just charity but an act of righteousness ... (UJA contributors) are of a mind that whatever the difficulties, they are committed to Israel and Jews around the world."

Irwin Hochberg, chairman of New York UJA-Federation's committee on the Jewish Agency, said he does not plan to carry out any major gifts solicitations for about a month in order to allow the chaotic economic conditions to subside. He remarked, "I suspect gift giving will slow temporarily, and it will take longer to collect pledges, but I expect there will be little difference by the end of the campaign in cash collected."

Hochberg reported that his Wall Street connections were very optimistic by day's end on Tuesday. "People were talking about stocks that were good buys and good opportunities ... There was a feeling that the market would come back now that the shakedown has been completed. It was very different



PERSONALLY, I'M NOT TOO WORRIED

from the night before when the mood was that the end was coming."

But while the major givers to Jewish charities appear not to have been seriously hurt by the stock market's palpatings, that may not be the case for tens of thousands of smaller Jewish investors in the market, many of whom also contribute to Jewish causes.

If, as is often estimated, 75 percent of the contributions to UJA come from the wealthiest 25 percent of the contributors, there remains ample room for concern about substantial falloff in the 25 percent of

the funds contributed by the 'little Jews.' There is evidence that many of those people have been badly hurt in recent days.

Jacob, 47, who arrived in New York from Kiev in 1976 with his family may not be atypical. A former cab driver, Jacob prospered thanks to hard work and today owns a fleet of five cabs and employs other immigrants. As his assets grew, he invested heavily in the stock market, watching his earnings swell steadily in the long bull market of the last several years. But the last two months have been jarring and Monday was disastrous—Jacob esti-

mated that he lost \$25,000 in one day—something like a tenth of his total savings.

Jacob is very worried and says he may have to cut back on his giving to UJA-Federation. "Over the last several years, I have steadily increased my contributions to UJA, and am now up to an annual contribution of \$1000 a year. I am grateful to the Jewish community for helping to bring me out of Russia and want to pay something back. But if my family's economic survival is threatened, I may not be able to make a contribution at all. First things come first."

The political side of the budgetary coin

The Treasury is worried about the impact of election year economics on its ability to carry out necessary cuts in next year's budget, writes Post Economic Reporter Avi Temkin.

THE TREASURY has mixed feelings these days. With autumn here, it can now look back with satisfaction on the first half of the fiscal year. A large part of its policy targets have been fulfilled, the economy looks relatively strong and the foreign currency vaults are full. Yet, the Treasury is already worried about the prospects for the coming months and, especially, for the coming fiscal year.

The basic problem of the Finance Ministry is not economic but mainly political in nature. Next year will be marked by the approaching elections, not the most propitious climate in which to implement steps the Treasury thinks necessary. These include not only slashing the ministries' spending but introducing other measures despite the wishes of strong vested interests in the economy.

From the point of view of the Treasury the present fiscal year can be divided in two distinct halves. In the former one, tax revenue surged, producing a surplus of about NIS 700 million in the budget, despite a lower-than-planned cut in spending and a rise in subsidies for basic commodities.

The second half of the year, however, may be marked by a steep rise in spending following wage hikes in the public sector and fulfillment of previous commitments. Since both halves would offset each other, the final budget figures for 1987 would

appear to show the government's deficit to be in line with the original prediction of about 3 per cent of gross national product.

This may be misleading, however. If the current trend is not corrected, the deficit could expand rapidly. According to the calculations made by Budget Department head David Boaz, it could grow by as much as NIS 900 m.

Boaz has already stated that he would like the budget slashed by as much as NIS 1 billion. This is probably unachievable, and he knows it. Not even in a normal year has the government been able to slash such large sum.

What Boaz must strive for is a change in the trend which has been visible in the last months. This would entail cutting subsidies for basic commodities and preventing an increase in spending on the part of the large ministries. Such actions could be achieved by slashing the budgetary reserve and transferring the control of the reserves from the ministries to the Treasury, making it difficult for them to expand operations. As a last resort, an administrative freeze on commitments could be introduced.

But containing expenditure will necessitate more than fighting the

ministries. Israel's industrialists have become used to receiving compensation from tax payers' money each time their profits go down. Given the drop in the value of the dollar and rising wage costs, exporters' profitability has suffered. The Treasury staunchly opposes a devaluation and has succeeded in compensating industrialists by reducing their contributions to the National Insurance Institute.

From next year, however, a new policy will have to be followed: The government is not going to give industrialists any compensation or subsidy. Any employer who grants wage rises should know the government is not going to bail him out by devaluing, or by increasing the sums spent in export incentives. Given the political clout of the Manufacturers' Association, this will be no easy task.

PROVIDED THE Treasury is able

to contain expenditure, it would be free to deal with the revenue side of the economy. This will comprise two major aspects. First, there is the implementation of the recommendations to be made by the Sheshinski commission on income tax reform. The commission is expected to recommend large reductions in the tax burden on middle- and lower-income groups, to be financed by an across-the-board scrapping of tax exemptions.

The Treasury would like to see the income tax reform implemented already, from the next fiscal year, but Prof. Eitan Sheshinski, who heads the commission, has already stated that the recommendations will be issued only at the end of this month. This will leave the ministry with little time, one month to six weeks, to push the necessary legislation through the Knesset.

If the commission produces a plan for overhauling the tax system,

those vested interests represented in the Knesset and on its Finance Committee will probably do their utmost to prevent some of the changes. The Histadrut will strongly oppose abolishing exemptions on contributions to (re)training funds (*kranot hishtalmut*) and provident funds. Liberal Party members are likely to oppose taxing capital gains in the stock exchange, and so on. Finance Minister Moshe Nissim will need to summon all his skills to overcome this opposition.

Next on the agenda are purchase taxes and customs, which some Treasury officials are convinced should be reduced. Israel will have to lower customs in the future anyway in accordance with agreements with Common Market nations and the United States. Advancing the date would make little difference but would help in the fight against inflation, as well as in reducing some large distortions. But these officials

know that any proposal for a further rationalization in the customs and purchase taxes system will immediately run into stiff opposition by domestic industrialists who enjoy the protection of high tariffs and indirect taxes.

The presence of MK Avraham Shapira, one of those industrialists, as head of the Knesset Finance Committee, will not make the prospects any brighter for such a proposal.

The capital market is due to get much of the Treasury's attention next year. In 1987, the ministry has been able to control developments and to keep to its original objective of partial liberalization — letting the private sector raise capital and take long-term loans at rates of interest of about 7 to 8 per cent a year, something that seemed impossible previously. But as from this month, there could be trouble. The capital market has still to adjust itself to the cashing of NIS 1.4 b. worth of bank shares and to developments abroad.

Next year, the situation will be even more complicated. First, because a rising deficit could mean larger government borrowing requirements which drive up long-term interest rates. Second, because next year will mark the redemption

of the bulk of bank shares, some \$3.8 b. In fact, repayment of internal debt principal alone will amount to an unprecedented NIS 14 b., and this is bound to introduce instability into the capital market.

According to Nissim's original plans, the next fiscal year will witness the taking of some concrete steps in implementing an ambitious plan of privatization. With two American investment banks — First Boston and Shearson-Lehman — involved in the process, Nissim thinks it would be possible to start talking about selling government corporations at home and abroad.

However, developments in the last days, both on the Tel Aviv Stock Exchange as well as in foreign bourses, make it doubtful whether this will be possible. It will be difficult to find underwriters or buyers for shares of Israeli government corporations.

The picture for next year's budget is not very optimistic. There will probably be a rise in the deficit. Tax reform will be very difficult to implement. The capital markets will be unstable. In such circumstances, what the Treasury could do is to produce a budget that would "hold the line," to safeguard existing achievements, until elections a year from now, and hope the next government takes immediate steps to implement necessary measures once it comes into office. This is the only plan which stands a chance.

(Continued from page 5)

President Reagan told a group at the White House on Wednesday that foreign aid remains a high priority for the U.S.

"The truth is that the money we spend on security assistance means our allies around the world can join in defending not only their securi-

ty, but ours," he said. "What they can do because of our assistance, we don't have to do. And we should never forget that we are not buying friends; we're helping friends."

But Reagan also pointed out that foreign aid has come to represent an increasingly smaller amount of federal spending. In the late 1940s, for

example, when the U.S. embarked on the Marshall Plan to help in the economic recovery of Western Europe, "we spent 11 cents of every dollar on foreign aid."

Today, the president said, the U.S. is spending less than two cents of every dollar "to support our foreign policy."

UNCLE SAM

(Continued from page 5)

MINISTER OF Industry and Trade Ariel Sharon, in Washington this past week for a U.S.-Israeli Free Trade Area conference, acknowledged the need for Israel to reduce its dependency on the U.S.

He said he would like Israel, over the coming decade, to completely stop requesting economic assistance from the U.S. (Military aid, presumably, would still be necessary.) The only way Israel could afford to do this, he said, would be by becoming

more economically independent. That meant increasing exports.

Israeli businessmen attending the conference agreed that attracting badly-needed private investment capital from the U.S. during a time of economic uncertainty would be even more difficult than usual — and usually, they don't have a very easy time finding such funds.

Certainly, if the economic situation in the U.S. should become even more uncertain, foreign aid could become a relatively easy target for across-the-board budget cuts. For many senators and congressmen,

foreign aid was never very appealing. They would rather cut the budget than raise taxes.

In the short term, that will make Israel's need to find alternative ways to ease its huge foreign debt more imperative. Right now, Israeli officials and their American supporters are anxiously trying to convince lawmakers in Washington to authorize

a restructuring of Israel's nearly \$11 billion U.S. debt.

But the frenzy on Wall Street and its shock waves on Capitol Hill will make everything more complicated and difficult. This is not good news for Israel.

The economic pages are edited by Shlomo Maoz.

immigrants in Israel for less than 20 years... tourists... foreign residents... diplomats... foreign experts... UN personnel... temporary residents... returning Israelis...

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Department of Economics — Faculty of Social Sciences
An evening devoted to the subject:

Decade of the New Economic Policy: Today's Reality and Lessons for the Future

Opening Remarks: Professor Ephraim Yaar, Dean of the Faculty of Social Sciences
Opening Lecture: Moshe Nissim, Minister of Finance
Discussion: Yoram Aridor M.K., Finance Minister 1981-1983; Yigal Cohen-Orzag, M.K., Finance Minister 1983-1984; Yigal Harel, Minister without Portfolio, Finance Minister 1979-1981
Chairman: Professor Haim Ben-Shahar, Department of Economics, Tel Aviv University
The proceedings will be held in Hebrew
The event will take place on Thursday, October 29, 1987 at 6 p.m. in the Bar-Shira Auditorium, Tel Aviv University, Ramat Aviv.
Parking through Ramat Aviv Gate (Gate 4).
The public is invited.

Urgent Call for Help

Shortly before the last holiday, this newspaper published an urgent appeal to come to the aid of an unfortunate family. The father had passed away at an early age after a difficult illness, leaving behind a widow and seven orphans. Amongst these were small children. The entire family was left without any source of sustenance with the added burden of debts resulting from the father's illness. They are also without a roof over their heads and their situation is dire indeed. It is imperative that the family be helped and rehabilitated urgently.

We call once again on those who, due to holiday pressures, did not manage to come forth with contributions for this most worthy cause. Please do so forthwith. You will surely be rewarded with good health and long life for participating in the rehabilitation of the widow and orphans, and in lightening their burden of sorrow.

The Committee for Family Rescue
Contributions may be sent to the following (please indicate that the contribution is "For Rescue of the Family"):

- 1) Committee for Family Rescue, P.O.B. 686, Jerusalem.
- 2) Rabbi Yehoshua Neumir, P.O.B. 5488, Jerusalem.
- 3) Rabbi Avigdor Mabezeshi, P.O.B. 5422 Jerusalem.

Moneys may also be deposited at all bank branches and made payable to the aid fund account, Israel Discount Bank, Guala, Jerusalem, No 64-732980.

Taiwan moves to sell its U.S. dollars

By CHEN CHEN-KUO

TAIPEI (Reuters).— Taiwan, holder of the world's second largest foreign exchange reserves, is selling some of its U.S. dollars and buying other currencies after suffering massive exchange rate losses, a senior central bank official said yesterday.

The official said the bank had lost more than 370 billion Taiwan dollars (12.3 billion U.S.) since September 1985 because of a 30-per-cent surge in the value of the local currency against the U.S. dollar.

He said Taiwan, with reserves of 69 billion U.S. dollars — exceeded only by those of Japan — was buying more Japanese yen and West German marks. The reserves are expected to top 72 billion by the end of this year.

"It is our policy to diversify foreign exchange reserves into other currencies to avoid risks and exchange losses," the bank official, who declined to be identified, said.

Taiwan's U.S. dollar holdings were cut by about 10 per cent this year but still account for more than 80 per cent of the reserves, he said.

He said the central bank planned to buy more sterling, Dutch guilders and Swiss and French francs but de-

clined to give details of the currency mix it was aiming for. Diversifying foreign exchange holdings will be done gradually because Taiwan pays for most of its imports in U.S. dollars, the official said.

He said the central bank was preparing for further foreign exchange losses in the next few months as it buys U.S. dollars from local exporters who have been dumping the currency in expectation of further rises in the Taiwan dollar. The bank has bought huge quantities of U.S. dollars on the spot market to try to limit the Taiwan dollar's appreciation.

Pressure for further currency rises is coming from the island's trade surplus, which is mostly with the United States. The local currency now stands at 29.98 to the U.S. dollar and officials predict it will go to 28.5 next year.

The surplus with Washington rose to a record 12.47 billion U.S. dollars in the first nine months of 1987 from 9.87 billion a year earlier. It is expected to top 16 billion for all of 1987 against 13.6 billion last year.

"The rising trade surplus will certainly invite U.S. pressure for a faster rise in the value of our currency," the central bank official said.

U.S. recession is likely, experts say

NEW YORK (AFP).— Monday's collapse of Wall Street is likely to affect Americans' plans to purchase cars and homes and could possibly lead to a future recession or trigger higher unemployment, analysts have warned.

Economists say the chief danger is the threat to consumer spending. Spending was expected to be soft the rest of this year even before Monday's 22.6 per cent drop in the Dow Jones average of 30 industrial stocks.

Some luxury car dealers have already had some clients cancel orders for expensive vehicles. People who were unfortunate enough to have their savings in a stock account are among those affected. Other car dealers are saying people are not buying and instead waiting to see if young investors will be forced to unload their vehicles at bargain prices.

Almost all observers agree that there had to be a readjustment in the market and they also say the record decline took many of the nation's supplies by surprise. Some Americans said they were glad to see the stereotype 29-year-old Wall Street millionaire finally suffer.

The one bright spot in the recent decline has been a rally in the bond market and a decline in interest rates. Chemical Bank and Marine Midland Bank lowered their prime rates — the interest charged their best commercial customers — from 9.75 per cent to 9.25 per cent.

"If interest rates come down and hold at ranges that make sense to the underlying economic fundamentals, that ought to be reassuring to Mr. and Mrs. America," said James Christian, an economist at the U.S. League of Savings Institutions. Paul Getman, an economist for Wharton Econometrics, said, "the big unknown is the psychological effect on the consumer. If the consumer thinks there is going to be a recession, then we'll have one."

Since consumer spending accounts for two-thirds of the gross national product, the stock market's movements and their effect on consumer confidence means slower growth or a recession. Lower spending can lead to a drop in manufacturing activity and eventually higher unemployment. Any reduction in consumer demand could also help the trade deficit by reducing the flow of foreign goods into the United States.

WALL STREET

(Continued from page one)

1,833.1. The exchange had a record gain in heavy volume Wednesday, as the 100-share index closed up 142.2 points at 1,943.8.

On the Paris stock market the general indicator finished with a 2.91 per cent drop after being up about 2 per cent at midday. Heavy trading volume stretched the session about 90 minutes beyond the normal closing bell.

Industry analysts said the cut in the banks' prime rate was a sign that rates around the world are falling as central banks try to help their economies cope with the deflationary impact of sharply lower stock market prices.

The prime cut helped the bond market, where the price on the key 30-year bond rose to 96-13/32, putting its yield at 9.23 per cent, down from 9.45 on Wednesday. The prime rate cut was not good news for the dollar, which fell to 1.8065 marks from 1.8175 at Wednesday's close. Lower U.S. interest rates make it less attractive for foreigners to hold dollars.

In New York on Thursday the Federal Reserve, the U.S. central bank, entered the government securities market an hour earlier than usual to arrange purchases of securities — a move to inject cash into the banking system. Economists said the Fed's action was designed to calm financial markets which were being rocked by a renewed slide in stock prices.

"After billions of dollars of consumer wealth were wiped out by the slide in stocks earlier this week, recession is now seen by economists as the main danger."

President Reagan's relaxed early reaction to the plummeting market has been widely criticized, and his performance before the media is certain to be judged on his ability to project an air of confidence and command to calm a jittery public.

Reagan has avoided a formal White House news conference since March 19, when he was enmeshed in a crisis over disclosures of secret arms sales to Iran and diversion of profits to U.S.-backed Contra rebels in Nicaragua. Instead, he has preferred to get his views across in set speeches and informal encounters with reporters in which he can quickly cut off the questioning, although he held a formal news conference at last June's economic summit in Venice.

But now the Iran-Contra affair has been overshadowed by the stock market chaos, the dangerous escalation of violence in the Gulf, rising fears that the U.S. might be dragged into the Iran-Iraq war, and the outlook for a U.S.-Soviet summit.

Gold prices up in London

LONDON (Reuters).— The price of gold jumped by about five dollars an ounce in London yesterday, pushed ahead by news of further stock market falls and a missile attack on a Kuwaiti offshore oil terminal, traders said.

Bullion was fixed at \$471.65 an ounce in the afternoon, up from a morning price of \$469.80 and yesterday's \$467.00.

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Tokyo shares on the up

By GRAHAM EARNSHAW

TOKYO (Reuters).— Asian stock markets rose again yesterday as strong buying helped to wipe out more of the losses suffered in the Wall Street-inspired panic sell-off earlier this week.

Encouraged by record share price rises in London and New York on Wednesday, the markets in Tokyo and Sydney both put "black Monday" further behind them. Prices dropped back in the afternoon on profit-taking but ended well up on the day.

The market index in Tokyo, the world's largest share market, closed 457.05 points higher at 24,404.45 after earlier being up by over 1,000 points.

The Tokyo market's value at close of business yesterday was about seven per cent below its level one week ago, before the free-fall began.

In Sydney, shares gained about 10 per cent in value then dropped back as nervous bargain hunters unloaded their holdings, brokers said. The index ended at 1,627.6, up 59.4 points.

"We are heading in the same direction as the United States and

Britain where the share market has recovered half the losses in the past 24 hours," said Sydney broker Alan Smith.

The other major Asian market, Hongkong, was again unable to take part in the recovery because officials closed the exchange until next week in the wake of New York's 508-point plunge on Monday.

Brokers in the British colony reported increasing pressure on the exchange to re-open today.

An analyst in Sydney said he was confident the share market rebound would be sustainable.

"There are no economic fundamentals involved in this week's share market crash. It was mob psychology caused by frenzied reaction to Wall Street," Bank of New Zealand economist John Stroud said.

Tokyo brokers said they felt Tokyo's strong performance had been critical in leading world markets back to sanity after the crazed selling early in the week.

"Tokyo's market declined the least out of the four major world markets and rebounded the quickest and in the most convincing way," said a broker at Nikko Securities.

Another Tokyo broker warned that the worst might not be over. "The possibility of another plunge has not disappeared," he said.

At the end of trading, brokers in Asia were once again looking to Wall Street and London for direction and clues as to whether the recovery would continue through today.

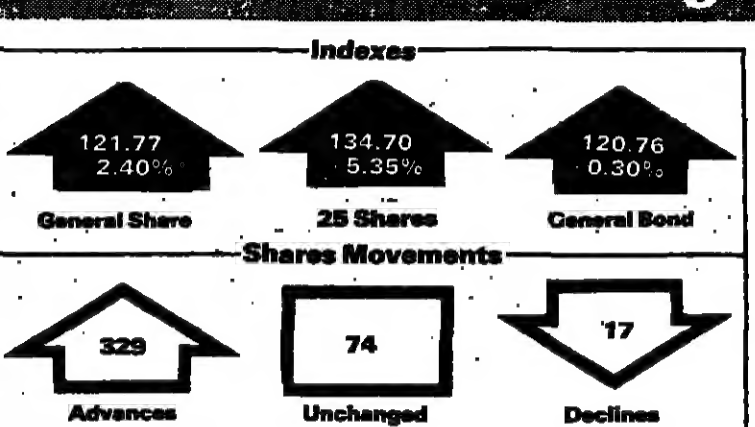
"Again, Wall Street and London's performance will influence Tokyo a lot," said an analyst at Japan's largest brokerage firm, Nomura Securities.

On Wednesday, Wall Street was given a boost by President Reagan, who said for the first time he would consider tax increases to help cut the budget deficit.

The huge U.S. budget gap has been seen by economists as a source of strain on the world financial system and a key cause of the sharp share declines over the past week.

On the currency markets, the U.S. dollar continued to buck the share bust-and-boom trend and ended the day at Tokyo steady at 144.20 yen and 1.8165/70 marks, slightly down on New York's close.

Tel Aviv Stock Exchange



Selected Prices

Name	Price	Volume	% Change
Commercial Banks			
Bank Leumi	217.75	15	+2.4
Bank Hapoalim	217.75	15	+2.4
Bank Mizrahi	217.75	15	+2.4
Bank Leumi	217.75	15	+2.4
Industrial			
Bank Leumi	217.75	15	+2.4
Bank Hapoalim	217.75	15	+2.4
Bank Mizrahi	217.75	15	+2.4
Bank Leumi	217.75	15	+2.4

Name	Price	Volume	% Change
Real Estate, Building and			
Bank Leumi	217.75	15	+2.4
Bank Hapoalim	217.75	15	+2.4
Bank Mizrahi	217.75	15	+2.4
Bank Leumi	217.75	15	+2.4

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Bank Hapoalim	217.75	15	+2.4
Bank Mizrahi	217.75	15	+2.4
Bank Leumi	217.75	15	+2.4

Statistics

Stock Indices	Value	% Change
General Share (end argmt.)	122.53	+4.42%
Non-argmt.	174.18	+4.28%
Government Bonds	128.07	+1.85%
Mortgage Bonds	128.07	+1.85%
Financial Inst.	128.07	+1.85%
Insurance	128.07	+1.85%
Commerce & Services	128.07	+1.85%
Real Estate & Agric.	128.07	+1.85%
Industries	128.07	+1.85%
Food & Tobacco	128.07	+1.85%
Textiles	128.07	+1.85%
Metals	128.07	+1.85%
Chemicals	128.07	+1.85%
Electronics	128.07	+1.85%
Pharmaceuticals	128.07	+1.85%
Investment Cos.	128.07	+1.85%
Oil Exploration	128.07	+1.85%
Paralel List	128.07	+1.85%

Bond Indices

Bond Indices	Value	% Change
Index-linked Bonds	122.53	+4.42%
Partially linked	122.53	+4.42%
Foreign Currency	122.53	+4.42%
FC denominated	122.53	+4.42%
Short-term 0-2 yrs	122.53	+4.42%
Short-medium 2-5 yrs	122.53	+4.42%
Medium-long 5-7 yrs	122.53	+4.42%
Long-term 7+ yrs	122.53	+4.42%

Turnovers

Turnovers	Value	% Change
Total Shares	122.53	+4.42%
Non-argmt.	122.53	+4.42%
Argmt.	122.53	+4.42%
Bonds	122.53	+4.42%
Treasury Bills	122.53	+4.42%

Share Movements

Share Movements	Value	% Change
Advances of which 5%+	122.53	+4.42%
Declines of which 5%+	122.53	+4.42%
Unchanged	122.53	+4.42%
Trading Only	122.53	+4.42%

Bond Market Trends

Bond Market Trends	Value	% Change
Index-linked	122.53	+4.42%
Partially linked	122.53	+4.42%
Foreign Currency	122.53	+4.42%
FC denominated	122.53	+4.42%
Short-term 0-2 yrs	122.53	+4.42%
Short-medium 2-5 yrs	122.53	+4.42%
Medium-long 5-7 yrs	122.53	+4.42%
Long-term 7+ yrs	122.53	+4.42%

Arrangement Yields

Arrangement Yields	Value	% Change
Index-linked	122.53	+4.42%
Partially linked	122.53	+4.42%
Foreign Currency	122.53	+4.42%
FC denominated	122.53	+4.42%
Short-term 0-2 yrs	122.53	+4.42%
Short-medium 2-5 yrs	122.53	+4.42%
Medium-long 5-7 yrs	122.53	+4.42%
Long-term 7+ yrs	122.53	+4.42%

25 Shares

25 Shares	Value	% Change
Index-linked	122.53	+4.42%
Partially linked	122.53	+4.42%
Foreign Currency	122.53	+4.42%
FC denominated	122.53	+4.42%
Short-term 0-2 yrs	122.53	+4.42%
Short-medium 2-5 yrs	122.53	+4.42%
Medium-long 5-7 yrs	122.53	+4.42%
Long-term 7+ yrs	122.53	+4.42%

Oil Exploration

Oil Exploration	Value	% Change
Index-linked	122.53	+4.42%
Partially linked	122.53	+4.42%
Foreign Currency	122.53	+4.42%
FC denominated	122.53	+4.42%
Short-term 0-2 yrs	122.53	+4.42%
Short-medium 2-5 yrs	122.53	+4.42%
Medium-long 5-7 yrs	122.53	+4.42%
Long-term 7+ yrs	122.53	+4.42%

Paralel List

Paralel List	Value	% Change
Index-linked	122.53	+4.42%
Partially linked	122.53	+4.42%
Foreign Currency	122.53	+4.42%
FC denominated	122.53	+4.42%
Short-term 0-2 yrs	122.53	+4.42%
Short-medium 2-5 yrs	122.53	+4.42%
Medium-long 5-7 yrs	122.53	+4.42%
Long-term 7+ yrs	122.53	+4.42%

Index-linked

Index-linked	Value	% Change
Index-linked	122.53	+4.42%
Partially linked	122.53	+4.42%
Foreign Currency	122.53	+4.42%
FC denominated	122.53	+4.42%
Short-term 0-2 yrs	122.53	+4.42%
Short-medium 2-5 yrs	122.53	+4.42%
Medium-long 5-7 yrs	122.53	+4.42%
Long-term 7+ yrs	122.53	+4.42%

Partially linked

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An absorbing idea

IT IS A TRUTH widely acknowledged that the readiness of Diaspora Jews to go on aliyah depends in no small measure on the reported quality of immigrant absorption. But acknowledgment of the fact does not appear to have translated into any great interest in the present machinery of absorption, which is widely conceded to be rather than attract aliyah.

This deplorable situation may now be changing, and with it, hopefully, the immigrant absorption setup as well. Last week a report on a comprehensive study of the Jewish Agency's Aliyah and Absorption Department was submitted to the chairman of the agency's board of governors, Jerold Hoffberger, who had himself commissioned it last year. The study had been carried out by Israel's Centre for Social Policy Studies under the direction of Dr. Israel Katz, head of the centre and former minister of labour and social affairs.

The main conclusion of the Katz Report is that the manner in which immigrant-absorption services are divided between the agency's Aliyah and Absorption Department and Israel's Ministry of Absorption, has created a situation that is both wasteful and harmful. The disclosure is less than earth-shattering. It need not have shocked too many among the tens of thousands of new immigrants who have over the past 20 years fought their way through the bewildering maze of regulations, programmes, offices and facilities to settlement in the Jewish state.

For once, however, hope beckons. For while the Jewish Agency is not obligated to endorse the report's findings, let alone its recommendations, it cannot simply ignore them. For it was its own board of governors that had set that ball rolling.

What the report recommends is that responsibility for providing basic absorption services — such as temporary housing — to newcomers, be transferred from the agency to the government. The agency could, if it so desired, and with the government's consent, continue to work in the field of absorption, but only in areas that supplement services supplied by the government. It could, for instance, keep promoting self-help activities among immigrants and providing loans and grants to immigrants facing economic hardships.

The report draws a sharp distinction between the proper functions of a government and of a non-profit organization such as the agency in the sphere of immigrant absorption. The blurring of this distinction, it points out, has not only made it difficult to pin down responsibility for acts and omissions, it has also impaired the quality of services to new immigrants.

An appalling example of the havoc that may result from a confusion of jurisdictions is supplied by the housing situation of thousands among the immigrants who were airlifted from Ethiopia three years ago. Who is responsible for the fact that they are still lacking permanent homes? The government, presumably. But since it is a safe bet that the agency's Aliyah and Absorption Department will not eject the Ethiopians from its absorption centres into the street, the government must feel that it can afford to bide its time. The absorption centres may be inhumanly crowded, but that is none of the government's concern.

True, the government — meaning the Absorption Ministry — has asked the agency to shell out \$22 million needed to buy flats for the Ethiopians. The agency is yet to give its reply. In the meantime, the government is off the hook. Or so apparently it believes.

The government's success in shirking its duty to ensure the provision of basic social services to all its citizens, including new immigrants, owes a great deal, however, to the agency's so far unchallenged assumption of a "quasi-governmental" posture. In fact, the Katz Report argues, the agency is but a "pseudo-governmental" body whose concern with the symbolic and political trappings of government has aggravated its relations with the national executive.

Proper immigrant absorption is not a matter of machinery alone, indeed not even mainly. The expertise and common-sense of the absorption personnel count more importantly, and these have not been uniformly in evidence on either the agency or the government side. But the machinery is important, yet previous attempts at its reform — notably the Horev Report on aliyah and absorption a decade ago — have come a cropper.

It would be very unfortunate if the Katz Report were to meet a similar fate. The absorption minister, Ya'acov Tsur, has for perhaps obvious reasons already endorsed it. Impossible as the suggestion may appear to its leaders that it hand over a time-hallowed function to a rival body, the Jewish Agency would do well to swallow its pride and follow suit.

A decision to that effect could, and should, be taken at the meeting of the agency's board of governors due next week.

THE MORNING AFTER

Captain Ahmed Farashi, whose funeral took place yesterday in the Druse village Abu Sna'an, was a peace-time hero. He did not die on the battlefield like many of his fellow Druse in the IDF. He died while rescuing three soldiers trapped in a car that was in danger of being washed away on the Arava road.

A disproportionate number of Druse soldiers and officers have given their lives in war and peace, but their sacrifice hardly counts when this minority group attempts to stand up for its rights. For instance, in the Beit Lann Nature Reserve dispute, Druse claims to ownership of the land were disregarded. They were treated with the same disdain usually shown to Israel's Arab minority.

It seems that some Israelis are unwilling to sacrifice their stereotypes even when confronted with such moving evidence as Captain Farashi's selfless act.

YEHUDA LITANI

SHAMIR

(Continued from Page One)

can only gain from the latest developments. Contrary to the denials of Shamir's backers, Labour says that there has been a real shift in Shamir's position, and the party can only gain by quietly, but pointedly, lauding it.

Shamir, Labour predicts, will be unable to withstand the pressures within his own party and will ultimately have to back-track from his agreements with Shultz. If he does not, Labour will claim that Shamir has shown that the idea of international participation in peace talks also has support in the Likud. Therefore, voters looking for peace, Labour hopes, will move to the party, which recently made peace its main plank.

Polls taken recently by all the major parties show that if the public is convinced that there is a real chance for peace talks, it will punish those

who are seen as blocking them.

Across the political spectrum, there is a belief that Shamir's moves are influenced by these polls.

On the left, opinions are divided about Shamir's moves. One left-of-Labour MK yesterday expressed concern that the Soviets, in keeping with their belief that only the Likud can deliver the goods on peace, will play along with Shamir, thus bolstering his position among the floating vote and allowing him to gain precious time in which not to be seen as blocking peace moves.

But others on the left believe that Shamir may have inadvertently set the peace process in motion and they concur with Labour's self-satisfaction. A Mapam MK said yesterday that the Likud will ultimately be torn apart by talks concerning the West Bank which, he said, demand a significant compromise of which the Likud is incapable.

WORLD RECESSION

Controlling the inevitable

Shlomo Maoz

PRESIDENT REAGAN said this week, after the 508-point "Black Monday" that: "There's nothing that's happened here that should result in a recession." His optimism recalled the confidence of President Herbert Hoover who said, 58 years ago on the eve of the October 1929 Wall Street crash that heralded the Great Depression, that the business situation in the U.S. was stable and promising. Some days later, the world sank into one of its deepest depressions, which some claim brought the Nazis to power.

The crash of the New York Stock Exchange this week reflected the illness of the American economy. America's ability to compete with its rich allies — Germany and Japan — has deteriorated. For about three decades the Americans have been warned that they should do something about their deficit. Not only was it not cut but, since Reagan's election in 1980, it has risen markedly.

The world has been, trapped by the power of the U.S. in the post-Second World War era, the world desperately needed international money liquidity to support growing international trade. The only country to supply this liquidity was the U.S. In order to maintain the stream of dollars that enabled world trade to rise by an annual rate of 7.5 per cent for two decades until 1973, the rich western industrialized countries should permit the U.S. to maintain its trade deficit. This is the only way to supply dollars.

This unwritten "arrangement" meant something else — opening American markets to most of the

western allies and particularly to countries that the U.S. wanted to strengthen, such as Japan and Western Europe in the fifties, and later, South Korea and Taiwan. For years everybody was happy. The world economy not only recovered from the destruction caused by the Second World War but also boomed in an unprecedented way with American leadership.

What happened was that the Americans printed paper money, for which they received goods from all over the world. The Germans and Japanese entered new markets by virtue of their hard work to rehabilitate themselves in the eyes of the world. And the rest of the world, countries that had commodities to offer, enjoyed a good supply of second-hand American technology.

THE TRAP WAS THAT the world could not manage without dollars. At the same time, the world refused to accept the fact that Americans could maintain a high standard of living — not by working hard but by printing money. The conflict between the U.S. and its allies grew when the Americans used their monetary power to finance the Vietnam war by printing huge amounts of dollars, thus effectively charging the whole world for their war expenses.

But the Americans claim that they have paid for this "arrangement" by giving almost free of charge a military umbrella to their allies in Europe and the Far East. The fact that the Americans are using their immense navy to escort Japanese, Kuwaiti and other tankers in the Persian Gulf has proved once again that they keep their commitments.

HUGE AMOUNTS of dollars accumulated all over the world and

The Friday Dry Bones



especially in Europe, Japan and, during Reagan's administration, in South Korea, Taiwan and Hong Kong. Reagan's financing of Star Wars by printing money only worsened the situation. Thus central banks, multinational corporations and international financial organizations are trying to get rid of their dollar-denominated holdings.

So it seems now that Reagan cannot continue his policy of a huge budget deficit which indirectly results in a widening gap between imports and exports.

This situation has already raised demands from labour unions and Congressmen for a more protectionist trade policy. Now, after the big crash on Wall Street and the uncer-

tainty about the future, this demand for a protectionist policy will increase.

This, together with the demand for the tightening of government spending, will significantly weaken the demand for goods and services and bring a recession to the U.S. From there, the recession will spread to all other countries for whom the U.S. markets are vital. THE CONTINUED printing of money, which ignores the deficit and the signal that Wall Street gave, will also bring world recession. Such printing will push more institutions and central banks to get rid of the dollar, which will plunge.

This will weaken Americans' ability to purchase foreign goods, which in turn will force millions of workers outside the U.S. out of their jobs. So, a recession is inevitable. The question is, how will it spread?

There is reason to believe, however, that the recession will not be of the same magnitude as that suffered in the thirties. But the U.S., Japan and Germany will have to cooperate in order to avoid losing control over their subordinate countries.

THE GERMANS are not keen to see their currency become part of another country's reserve since it will force them to print marks and run into a deficit in their balance of trade.

The Japanese are afraid of any blockage of their trade with America. At the same time, they realize that in view of their huge holdings of dollars, the weakness in the dollar is

first and foremost their own problem.

Many believe that the U.S. should give up its ambitious Star Wars programme. The Germans will have to boost their economy and put up with a higher rate of inflation and fewer surpluses. The Japanese should open their economy by seeking new markets for their goods. This will force the Americans to print less money, work more to buy foreign goods, and rely more on domestic savings than on loans from Japan. This will lower the standard of living in the U.S. and raise it in Japan and the other rising industrial countries in the Far East.

This scenario means that the West will have to restructure itself into a new international order, with the U.S. economy becoming more like what was following the Second World War.

Meanwhile, it seems, the U.S. has the power to shift the world into a new world economic order with little pain. The immediate reaction of Federal Reserve Chairman Alan Greenspan, that America would not allow the collapse of financial institutions and the economy by injecting funds wherever needed, came on time and gave a positive signal to world financial markets. It also gave time to the world's policymakers to take unpopular but badly needed steps.

An era in modern history has just ended.

The writer is the Economic Editor of The Jerusalem Post.

READERS' LETTERS

ORTHODOX WOMEN IN THE IDF

To the Editor of The Jerusalem Post Sir, — With all due respect to the religious girls volunteering for one (and an optional second) year of Sherut Leumi — national service — I take strong exception to the comment that "secular girls in the army give two years to the country's service, why shouldn't we?" ("Learning about the hard life" — October 11).

As the very proud father of twin girls from a modern, Orthodox, Zionist home who are now serving in the army, I want to stress that the army is not solely the domain and responsibility of secular girls only. There are many Orthodox girls serving as teacher-soldiers and in numerous army units suited to their religious and educational backgrounds. They have committed themselves to two years of army service, a short term of basic training which is totally compatible with their religious way of life, and they are not volunteers

who can opt out as they wish. They wear the uniform of the IDF and are proud of it.

I resent the brainwashing of Orthodox girls that the army *per se* is *treif* and totally off-limits to religious girls. Most of all, I resent the attempt to equate Sherut Leumi with army service as was attempted in the above article. If some parents are fearful of testing their daughters' morals, or endangering their marriage prospects, and want to keep their girls close to home, that's OK with me, but they needn't rationalize it by smearing those fantastic Orthodox (and non-Orthodox) girls who have chosen to serve in uniform. They could have opted out as the Sherut Leumi girls did, but they chose not to live in a ghetto of their own making in their own homeland.

Prof. ELIEZER D. JAFFE
Jerusalem.

THE PROPER PLACE OF WOMEN

To the Editor of The Jerusalem Post Sir, — It is becoming boring, to say the least, to hear the continuous wailings of the politicians of the left when they insist that we give away all the hard-won gains of 1967 because we will be a minority in 20 years.

If we continue the policy of ignoring the proper place of women in society, encouraging them to spend the best years of their lives in the army and in enjoying the dubious benefits of menial labour, then the prophecies of doom will come to pass.

However, if some of the money used for defence was diverted to supporting large families, there would not only be no demographic problem, but there would also be greater security. Women in the real Jewish mould know that their true vocation is to raise and nurture a family and that the larger it is, the more fulfilled they become.

This attitude would not only help Israel, but halt the decline of the Jewish population world-wide.

J. LOPIAN
Petah Tikva.

FIGHTING CARNAGE ON THE ROADS

To the Editor of The Jerusalem Post Sir, — May I add the following suggestions to your timely and constructive editorial of October 11, "Unabated death toll."

Introduction of "four-way" stop signs at all intersections without traffic lights, as used in the U.S. Daytime use of headlights on highways, as in Sweden and other Nordic countries.

Compulsory wearing of reflective strips or shiny plastic badges (as in Scandinavia) by all children, soldiers, hikers, cyclists and Orthodox gentlemen, whose black attire renders them invisible — and very vulnerable — in the dark.

Compulsory eye tests for drivers before renewing licences.

Stricter controls on "scoff-law" taxi drivers who will stop anywhere, despite the danger, to pick up passengers, and who have made illegal overtaking from the right into something of a trademark.

DAVID ZOHRAR
Jerusalem.

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